

SYDENHAM-BANKSTOWN CORRIDOR

EMPLOYMENT ANALYSIS

DEPARTMENT OF PLANNING & ENVIRONMENT
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EXECUTIVE SUMMARY

BACKGROUND

The Department of Planning and Environment is progressing to finalise and implement the Sydenham to Bankstown Urban Renewal Corridor Strategy, in line with A Plan for Growing Sydney's identification of the Sydenham-Bankstown Corridor as an urban renewal corridor. DPE worked with councils to identify suitable areas for housing intensification and urban renewal, including existing employment lands around priority precincts, established and new centres and transport corridors.

DPE is keen to understand the impact to employment uses once the Strategy is implemented, specifically following a rezoning of certain opportunity sites from industrial to mixed use, and the upzoning of lands around train stations to accommodate higher density development.

AEC Group (AEC) is engaged by DPE to carry out an Employment Analysis to understand the likely implications for employment floorspace along the Corridor. The analysis in this study is composed of two key parts:

- **Opportunity Sites**

Understanding the types of employment users likely to be displaced following the rezoning of specific opportunity sites, and where displaced businesses could be accommodated (along the Corridor or elsewhere).

- **Employment Precincts and Centres along the Corridor**

Likely demand for employment floorspace along the Sydenham-Bankstown Corridor both in industrial zones and in business zones.

The purpose of the study is to enable DPE understand opportunities for employment intensification within employment precincts and business zones along the Corridor and within each station precinct.

Opportunity Sites

The Strategy contemplates a zone change for the following opportunity sites, although the Strategy does not rezone the opportunity sites per se, this subject to a separate rezoning process.

- **Site 1 (Gerald Street, Sydenham)**

Rezoning of IN1 and IN2 land (1.5ha) to facilitate medium-high rise residential buildings (8 storeys).

- **Site 2 (Grove Street, St Peters)**

Rezoning of IN2 land (1.3ha) to accommodate business/enterprise uses as well as medium-high rise residential buildings (8 storeys).

- **Site 3 (Carrington Road, Marrickville)**

Rezoning of IN1 and IN2 land (circa 13ha) to accommodate medium-high rise residential buildings (8 storeys) and a small proportion of mixed-use/high rise buildings (above 9 storeys) in the north.

- **Site 4 (New Canterbury Road, Dulwich Hill)**

Rezoning of IN2 land (4,674sqm) to accommodate medium-high rise residential buildings (8 storeys).

Depending on existing lot and ownership patterns, the timing of take-up of development on the opportunity sites could be varied.

KEY FINDINGS

Current and Future Land Uses

The decline of traditional manufacturing activity has been widely commented upon. As global competition for manufacturing activity continues, the nature of industrial and other activities undertaken by Australian businesses is necessarily changing. For example, while there is no longer any need for floorspace to accommodate automotive manufacturing (closure of Ford, Holden and Toyota manufacturing plants), there is a growing need for floorspace

to accommodate wholesaling and retailing functions. This transition is already observed in the Corridor, where an increasing number of export and wholesale businesses seek space.

Local service business (e.g. automotive repairs, panel beaters, appliance repairs, food and beverage suppliers) require industrial-type floorspace in proximity to their key markets, which are population-driven. Local service businesses also require retail and commercial space close to population catchments from which they can operate.

Almost without exception, the strength of market demand observed along the Corridor has resulted in rising rents and prices, falling vacancies and incentives. The exceptions are Hurlstone Park and Wiley Park where poor retail performance is more a result of the quality, layout and configuration of existing stock.

Market intelligence indicates healthy demand for a range of employment uses, though the ability of each precinct to meet demand is limited by the availability and quality of stock.

Industrial Uses

Over the last decade many large format, transport and logistics based industrial users have taken up accommodation (>5,000sqm) in Western Sydney (e.g. Eastern Creek, Erskine Park) where space is cheaper and access by large trucks is not impeded.

The move of large format industrial users to Western Sydney does not diminish the accommodation need of those industrial users that service local population needs. These businesses typically require smaller accommodation (<1,000sqm) that is accessible to their key markets (suppliers and customers).

The industrial areas of Sydenham and Marrickville are established and have wide market appeal. Recent development of strata industrial units has been met by high levels of market acceptance. Anecdotal evidence indicates rising price levels and a dearth of availability has caused some users seeking space in the Inner precincts (Sydenham, Marrickville and Dulwich Hill) to consider Campsie which is a Middle precinct followed by Bankstown which is an Outer precinct, also along the Corridor. Those industrial users seeking and unable to secure space in the Middle precincts are understood to consider outer areas such as Revesby, Padstow and Bankstown which are also experiencing high levels of demand.

Although there is limited industrial zoned land (IN1 or IN2) in the station precincts, there are clusters of B5 and B6 zoned land particularly along main arterial roads in the Corridor. These zones can generally accommodate a range of industrial-type uses as well as a range of business uses, including retail, office and recreational uses. Due to their more flexible and wider-ranging permissibility of uses, price levels in these zones are typically higher compared to prices in industrial zones. Despite the higher rents and price levels, industrial-type users weigh up the cost of higher rents against industrial accommodation in the west which may be farther away from their key markets and suppliers.

Retail Uses

Retail uses are directly driven by population growth. New development and population growth along the Corridor has spurred demand for retail and non-retail uses with well-located space (both existing and new) benefitting from rising demand and price levels. Retail floorspace is experiencing strong demand conditions in all precincts except Sydenham, Hurlstone Park and Wiley Park. Our investigations suggest the lack of interest observed in these precincts is rather a function of the small amount and poor quality of stock available. Should good quality stock become available, keen market activity is likely to result.

A short supply of quality retail floorspace is a general observation along the Corridor. A broadening of retail nodes is observed to be occurring incrementally, e.g. in the Dulwich Hill precinct where retail space once considered "fringe" is gaining market acceptance owing to the shortage of retail space options in the area.

As the balance between supply/demand conditions causes price levels to reach unaffordable limits for businesses, it is inevitable that it will spur landowners of space on the fringes to reinvest in upgrading shopfronts and refurbishing internal accommodation. This will then cause retail strips to lengthen past the traditional boundaries.

The incorporation of retail floorspace on the ground floor of new mixed use development and new shop top housing in the Strategy will undoubtedly help to address the supply shortfall of retail space but also contribute to the viability

and vitality of retail strips along the Corridor. This will be particularly important for the revitalisation of retail strips in Sydenham, Hurlstone Park and Wiley Park.

Commercial Uses

Commercial office users drawn to the Corridor are not of the same profile as users who demand space in the office park such as North Sydney, Sydney Olympic Park or even Rhodes Corporate Park. Bankstown which is a strategic centre is an exception to this observation, playing an important role to accommodate government agencies and key service providers.

The majority of demand for commercial office floorspace in the Corridor is from local service businesses, for example professional services (accountant, tax advisor, lawyer), commercial services (bank, medical services, travel agency) and personal services (massage therapist, podiatrist). These users are discerning and require space that is not only aesthetically pleasant, the space also requires proximity to retail and transport services.

Market investigations reveal commercial office suites in some precincts experienced poor market response with protracted letting-up periods and modest rents achieved. Similar to the market for retail space, observations suggest this is less of a demand issue, rather a supply issue, in that the supply is poor quality and does not meet market requirements.

New development and renewal opportunities facilitated by the Strategy will assist to deliver modern, contemporary office floorspace needed to meet market demand and requirements.

Accommodating Future Growth

The employment analysis suggests that should *all* businesses in the Opportunity Sites be displaced, not all businesses will likely find alternate premises along the Corridor as competition for industrial space is already tight. Projections modelling and analysis of supply affirms our market observations and findings.

Those businesses that can be accommodated in business zones (e.g. B5, B6 zones) have better prospects of finding alternate accommodation along the Corridor. For those businesses and uses that can only suitably be located in an industrial zone, if they are able to afford rising price/rental levels they could conceivably find accommodation in the Inner and Middle station precincts, potentially displacing other businesses in those precincts.

- There is a capacity shortfall for industrial floorspace in most precincts (except Lakemba and Wiley Park). On an overall basis, the analysis suggests that by 2041 there will be an unmet demand for approximately 247,900sqm of industrial GFA in the Corridor. This is consistent with our market investigations as outlined earlier, that a shortage of industrial floorspace is causing rents and prices to rise and some occupiers pushed outward to Western Sydney.
- There is sufficient capacity for retail and commercial precincts in most precincts (except Sydenham). On an overall basis, the analysis suggests that by 2041 there will be surplus capacity for employment floorspace for approximately 827,800sqm of retail/commercial GFA in the Corridor. Acknowledging that not all development opportunities will be taken up (owing to lot and ownership fragmentation, etc.), the analysis indicates from a planning perspective there is sufficient zoned land.

Opportunity for Intensification

There is an opportunity for DPE to work with councils to facilitate the intensification of remaining employment precincts, so as to accommodate diverse business activity and more intensive use of land.

Industrial Zones

The intensification of employment precincts (industrial zones) is already occurring with planning reform in some areas to ensure land use zones evolve with the needs of industry and business. Parts of the Green Square Southern Employment Lands were rezoned in 2014 from industrial (IN1 and IN2) to business (B6 and B7), a recognition by the City of Sydney of the emergence of new forms of business and enterprise that require flexible environment to locate and grow to their customers at the airport and inner city. New planning controls allow for the

transition of employment lands from areas of traditional industrial uses and low density employment to places of more diverse business activity and intensive employment opportunities.

An intensification of use is already witnessed in the Marrickville precinct, albeit on a much smaller scale compared to that which is occurring in the Green Square Southern Employment Lands. The recently completed Enterprise Industrial Estate at 80 Edinburgh Road in Marrickville is a development of new industrial strata units on a mostly vacant site. Market response to the individual strata units is understood to be excellent with sale prices in excess of \$5,000/sqm of building area achieved. The layout and configuration of the development facilitates a much more intensive use of the land than if improved with a traditional industrial building.

The ability for a mix of businesses to occupy land in industrial zones also contributes to an intensification of land use.

Business Zones

There is a significant amount of B5 and B6 zoned land along Canterbury Road in Canterbury, Campsie, Belmore, Lakemba, Wiley Park and Punchbowl (more than 20ha). These lands along with industrial zones in Sydenham and Marrickville have the potential for intensification of use and could contribute to accommodating some of the businesses from the Opportunity Sites.

The zone objectives of the B5 and B6 zones are relevant in considering if these lands are well placed to respond to more intensive uses. The B5 zone accommodates larger format uses and is less compatible with small floorplate uses. The B6 zone in particular is intended to support business uses along main roads and could be considered where there is opportunity to accommodate more businesses.

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1. INTRODUCTION

1.1 BACKGROUND

A Plan for Growing Sydney (DPE, 2014) identifies Sydenham-Bankstown as an urban renewal corridor and outlines delivery of the Sydney Metro City & Southwest (formerly known as the Sydney Rapid Transit) linking Bankstown to the Sydney CBD and the North West Rail Link (NWRL).

A Plan for Growing Sydney (The Plan) seeks to work with councils to identify suitable areas for housing intensification and urban renewal, including existing employment lands around priority precincts, established and new centres and transport corridors. The Sydenham-Bankstown Corridor (the Corridor) is comprised of 11 station precincts along the rail line, being Sydenham, Marrickville, Dulwich Hill, Hurlstone Park, Canterbury, Campsie, Belmore, Lakemba, Wiley Park, Punchbowl and Bankstown.

The Department of Planning and Environment (DPE) publicly exhibited the draft Sydenham to Bankstown Urban Renewal Corridor Strategy (the Strategy) in October 2015 and is in the process of reviewing submissions received. An amended Strategy incorporating feedback from the community, councils and other government agencies is expected to be released in late 2016.

1.2 PURPOSE OF THE STUDY

As DPE progresses finalisation and implementation of the Strategy, DPE is keen to understand the impact to employment uses once the Strategy is implemented, specifically following a rezoning of certain opportunity sites from industrial to mixed use, and the upzoning of lands around train stations to accommodate higher density development.

AEC Group (AEC) is engaged by DPE to carry out an Employment Analysis to understand the likely implications for employment floorspace along the Corridor. The analysis in this study is composed of two key parts:

- **Opportunity Sites**

An investigation to understand the types of employment users likely to be displaced following the rezoning of specific opportunity sites, and where displaced businesses could be accommodated (along the Corridor or elsewhere). These opportunity sites are located in the Sydenham, Marrickville and Dulwich Hill precincts. These precincts and their characteristics are detailed in Chapter 2.

- **Employment Precincts and Centres along the Corridor**

Likely demand for employment floorspace along the Sydenham-Bankstown Corridor and in business zones around train stations. The ability of these employment precincts and centres (business zones) to intensify and accommodate more employment floorspace is investigated in Chapter 3.

The purpose of the study is to enable DPE understand opportunities for employment intensification within employment precincts and business zones along the Corridor and within each station precinct.

1.3 SCOPE OF THE STUDY

Terms of Reference

The following terms are used to define geographic areas examined in this study.

- **Opportunity Sites** - there are four opportunity sites that are investigated in this study. They are:

- **Site 1 (Gerald Street, Sydenham)**

Land measuring just around 1.5ha on either side of Gerald Street (bounded by Marrickville Road and the train line in the south) in Marrickville (suburb) within the Sydenham station precinct.

The land on the northwest of Gerald Street is zoned IN2 Light Industrial while the land on the southeast of the street is zoned IN1 General Industrial. Both are designated with an FSR of 0.95:1.

- **Site 2 (Grove Street, St Peters)**

Land measuring around 1.3ha along Grove Street in St Peters (sandwiched between Edith Street and Mary Street) within the Sydenham station precinct. The site is zoned IN2 Light Industrial and with an FSR of 0.95:1.

- **Site 3 (Carrington Road, Marrickville)**

Land measuring around 13ha along Carrington Road, Marrickville. The land is currently zoned IN1 General Industrial and IN2 Light Industrial and with an FSR of 0.95:1.

- **Site 4 (New Canterbury Road, Dulwich Hill)**

Land measuring circa 4,674sqm along New Canterbury Road (bounded by Kintore Street, Hercules Street and Dulwich Grove Light Rail to the west) in Dulwich Hill. The land is currently zoned IN2 Light Industrial with an FSR of 0.95:1.

- **Employment Precinct**

This refers to land zoned for industrial purposes (including IN1 General Industrial and IN2 Light Industrial zones) and land zoned for business uses (including B5 Business Development, B6 Enterprise Corridor and B7 Business Park) along the Corridor. There are in the order of 18 such “employment precincts” identified along the Corridor and within the 11 station precincts.

- **Centres**

This refers to land zoned B1 Neighbourhood Centre, B2 Local Centre and B4 Mixed Use along the Corridor and within the 11 station precincts. There are around 16 such “centres” identified along the Corridor.

- **Local Government Areas (LGAs)**

This refers to the LGAs which the 11 station precincts are located in. These are the LGAs of Bankstown, Canterbury (now City of Canterbury-Bankstown) and Marrickville (now Inner West Council).

Methodology and Approach

In order to meet the requirements of the brief, AEC carried out a number of tasks:

- Analysis of Opportunity Sites to understand:

- Employment profile and types of occupiers.
- Type of location options existing occupiers may consider following rezoning of the Opportunity Sites.
- Land use and built form characteristics.
- Property market characteristics, specifically the nature of demand for space therein.

Gathering of market intelligence (rents and prices, incentives offered, vacancy levels, etc.) as well as extensive discussions with leasing and sales agents active in and around each of the opportunity sites was undertaken.

- Corridor Audit (desktop-based) of employment precincts and centres along the Corridor and in each station precinct to understand:

- Current market activity (sales and leasing activity) and the nature of occupier interest in each precinct and centre.
- Developer interest and market's supply response to demand for employment uses.

Analysis of market intelligence (rents and prices, incentives offered, vacancy levels, etc.) as well as extensive discussions with leasing and sales agents active in each station precinct was undertaken.

- Employment projections to assess potential demand for employment uses along the Corridor in the future.
- Assessment of how well each station precinct is placed to accommodate projected demand and forecast of likely employment in the future.

Limitations and Assumptions

AEC highlight the limitations of the desktop nature of the study. The data limitations of changed LGA boundaries are also acknowledged.

- **LGA boundaries**

The Corridor was formerly within the LGAs of Marrickville, Canterbury and Bankstown. Following council amalgamations in 2016, the Corridor now falls within the boundaries of Inner West Council and City of Canterbury-Bankstown.

Employment data relied on in this analysis is based on historical census information which aligns with former LGA boundaries. Recently released DPE population projections though, align with the newly formed LGAs of Inner West Council (comprised of the former LGAs of Marrickville, Ashfield and Leichhardt) and City of Canterbury-Bankstown (comprised of former LGAs of Canterbury and Bankstown).

- **Market investigations and desktop observations**

Market investigations and gathering of market intelligence is carried out at a desktop level, including analysis of sale prices and rents achieved as well as extensive discussions with leasing and sales agents active around each station precinct. Detailed site inspections were not undertaken nor interviews or consultation with businesses in the Opportunity Sites.

- **Aggregation of findings**

Observations made from market analyses are aggregated to inform the assessment of floorspace capacity in the Corridor as well as in each station precinct.

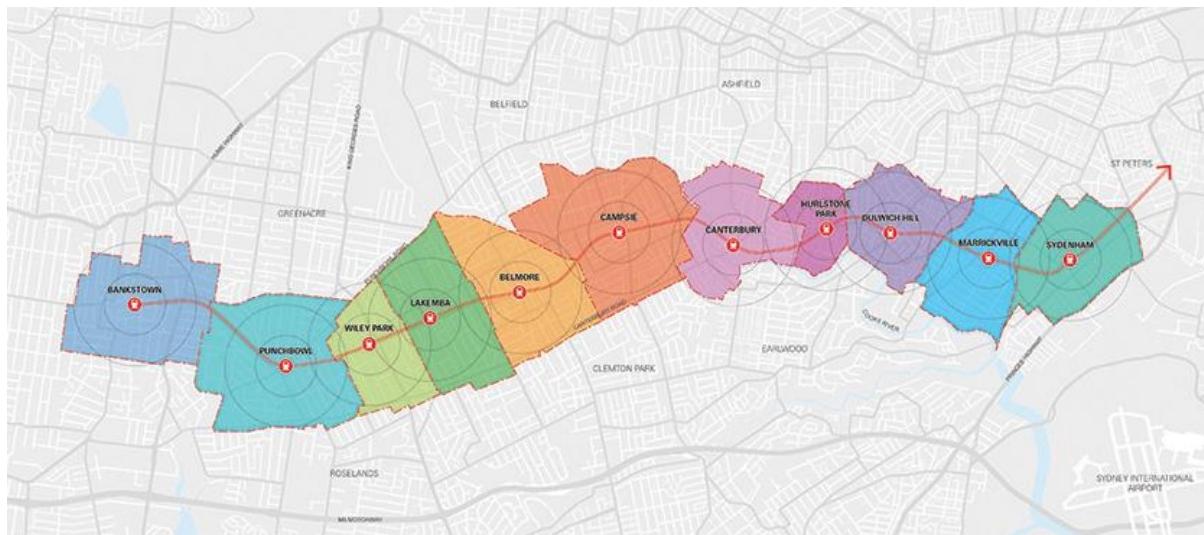
Despite the limitations of a desktop study, the analysis is considered to be instructive in understanding the Corridor, its markets and sub-markets in aggregate and its potential to accommodate businesses from the Opportunity Sites.

2. SYDENHAM-BANKSTOWN CORRIDOR

2.1 URBAN RENEWAL CORRIDOR STRATEGY

The Sydenham-Bankstown Urban Renewal Corridor Strategy (the Strategy) establishes a strategic planning framework to guide future development and infrastructure delivery within the Corridor over the next 20 years.

Figure 2.1: The Corridor Precincts



Source: DPE (2016)

The Corridor extends across 11 station precincts and straddles the LGAs of Marrickville, Canterbury and Bankstown, now known as the Inner West Council and City of Canterbury-Bankstown.

- Sydenham, Marrickville, Dulwich Hill (Marrickville, now Inner West Council).
- Hurlstone Park, Canterbury, Campsie, Belmore, Lakemba, Wiley Park (Canterbury, now City of Canterbury-Bankstown)
- Punchbowl, Bankstown (Bankstown, now City of Canterbury-Bankstown).

The next section examines the future land use contemplated by the Strategy and various building typologies that will be accommodated by new planning controls.

2.2 FUTURE LAND USE

The Strategy envisages an intensification within these station precincts, however not all areas within each station are envisaged to change, i.e. to be subject to new planning controls. It outlines the future vision and character for each station precinct following the completion of urban design and a range of technical studies.

Some precincts are envisaged to accommodate more intensive business activity while new opportunities are proposed for some sites in certain precincts. **Table 2.1** summarises proposed development typologies, uses and densities.

Table 2.1: Future Land Use and Typologies

Precinct	Description
Sydenham	Extension of retail uses along Marrickville Road to accommodate medium rise, medium-high rise housing and shop top housing. Opportunity sites proposed for rezoning along Gerald Street.
Marrickville	Retention of low scale buildings along Illawarra Road and Marrickville Road with apartments set back behind building façades. Buildings of 6-12 storeys around Marrickville train station. New mixed use residential precinct around opportunity site on Carrington Road proposed to be rezoned.

Precinct	Description
Dulwich Hill	Retention of low scale character of buildings along New Canterbury Road and Marrickville Road with apartments set back behind building façades. Mix of low and medium rise (5-8 storeys) around Dulwich Hill train station. Opportunity site along New Canterbury Road proposed for rezoning for medium rise housing.
Hurlstone Park	Retention of low scale character of neighbourhood. Buildings of up to 5 storeys.
Canterbury	Accommodation of medium to medium-high rise housing throughout the precinct with high rise/mixed use in and around Canterbury train station.
Campsie	Retention of low scale character of buildings along Beamish Street with apartments set back behind building façades. Accommodation of a high rise/mixed use in and around the Campsie train station. Opportunities for medium and medium-high rise (up to 8 storeys) along key arterial roads.
Belmore	Retention of low scale character of buildings along Burwood Road with apartments set back behind building façades. Opportunities for tall buildings (12-15 storeys) along Burwood Road and a mix of medium and medium-rise housing in and around Belmore train station.
Lakemba	Retention of low scale character of buildings along Haldon Street with apartments set back behind building façades. Medium and medium-rise housing (6-8 storeys) around Lakemba train station. Opportunity for tall buildings (12 storeys) on key sites.
Wiley Park	Mix of medium and medium-rise building close to Wiley Park train station with opportunity for taller buildings (12 storeys) on key sites.
Punchbowl	Retention of low scale character of buildings along Punchbowl Road and The Boulevarde with apartments set back behind building façades. Mix of medium and medium-rise housing (up to 8 storeys) around Punchbowl station. Taller buildings (15 storeys) on key sites.
Bankstown	Retention of lower scale Bankstown City Plaza shops with apartments set back behind building façades. Accommodation of taller buildings within close proximity of Bankstown train station that have potential for mixed use residential that will contribute to public realm at street level.

Source: DPE (2016)

A number of opportunity sites are proposed to be rezoned from industrial to facilitate accommodation of housing. These sites are in the station precincts of Sydenham, Marrickville and Dulwich Hill. The next chapter examines these opportunity sites.

3. OPPORTUNITY SITES

The Opportunity Sites are located within the Inner West local government area (LGA) in the suburbs of Marrickville and Dulwich Hill approximately 10km from the CBD. The sites have access to and from major arterial roads and enjoy public transport links.

3.1 SITE 1 (GERALD STREET, SYDENHAM) & SITE 2 (GROVE STREET, ST PETERS)

Site 1 (shaded pink in **Figure 3.1**) is located on either side of Gerald Street and is bounded by Marrickville Road to the northeast and the railway line to the southwest. The site measures around 1.5ha and is zoned IN2 Light Industrial (west of Gerald Street) and IN1 General Industrial (east of Meeks Road) with a designated FSR of 0.95:1.

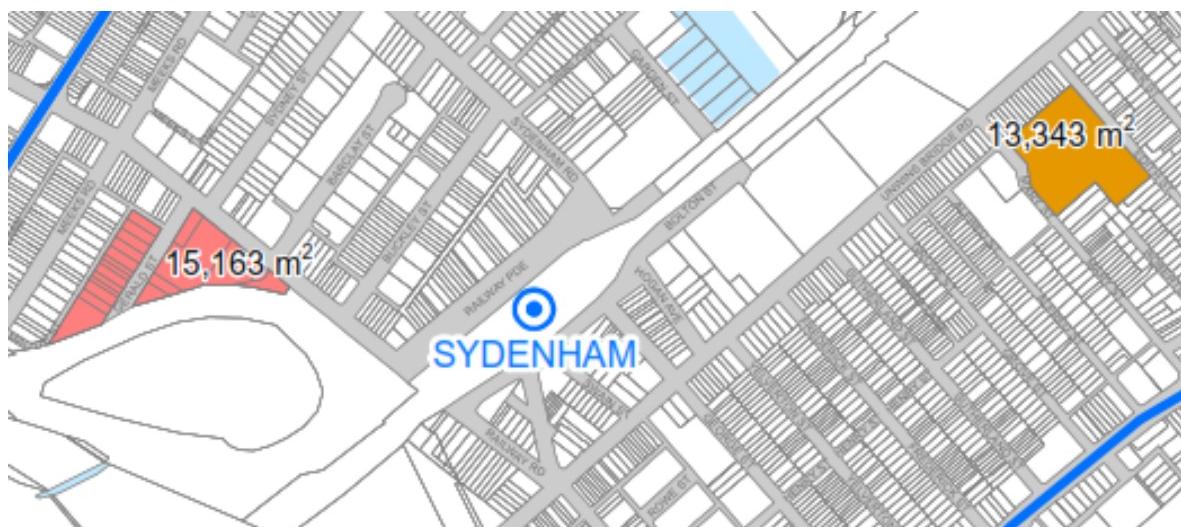
Site 2 (shaded yellow in **Figure 3.1**) has frontages to Edith Street and Mary Street, located off Unwins Bridge Road. The site is one of two light industrial blocks within a mostly residential area. The site measures 1.3ha and is zoned IN2 Light Industrial with an FSR of 0.95:1.

Both sites are located approximately 10 kilometres from the CBD and offer easy access to public transport connections with buses on Marrickville Road and Marrickville and Sydenham train stations in close proximity.

The larger precinct is predominantly occupied by aged industrial warehousing and offices with newer developments interspersed among older buildings. Traditional (heavier) industrial activity is increasingly no longer undertaken in the precinct due to access constraints and the high cost of land, many heavier industrial uses thereby relocating to Sydney's south and western suburbs. There has been a corresponding increase in demand from light industrial uses in support of a growing population.

As the area continues its transition to lighter industrial and mixed business activity, there is a noticeable shift in businesses floorspace requirements with many lighter industrial and business uses (e.g. arts and recreation uses, food and beverage manufacturing uses) requiring smaller floorplates of accommodation.

Figure 3.1: Map of Site 1 and 2



Source: DPE (2016a)

DPE's own analysis of BTS data suggests the following employment profile of the travel zones (TZs) in which Sites 1 and 2 are located. Each industry is classified into categories indicating if employment in the TZs are of a "local" nature or if business outputs are exported to beyond the local area. This analysis helps understand if these TZs currently play a regional or more a local service role.

Table 3.1: Employment Profile, Sites 1 and 2 and broader catchments

Industry	Site 1 (TZ 309)	Site 2 (TZ 329)
Local Services	25.8%	57.8%
Construction	79	82
Retail Trade	274	57
Accommodation and Food Services	60	20
Rental, Hiring and Real Estate Services	7	17
Administration and Support Services	27	18
Public Administration and Safety	-	170
Education and Training	3	55
Health Care and Social Assistance	28	18
Arts and Recreation Services	10	49
Other Services	67	43
Total	556	529
Export-oriented	48.2%	30.1%
Agriculture, Forestry and Fishing	3	-
Mining	-	-
Manufacturing	816	131
Electricity, Gas, Water and Waste Services	-	20
Transport, Postal and Warehousing	147	71
Information, Media and Telecommunications	3	15
Professional, Scientific and Technical Services	67	37
Total	1,037	275
Combination of Local Services and Export-oriented	26.0%	12.1%
Wholesale Trade	380	93
Financial and Insurance Services	104	-
Unclassified	75	18
Total	559	111
Total	2,153	915

Source: DPE (unpublished)

Site 1 is located within a travel zone which is part of a large employment precinct in Marrickville whereas Site 2 is within an employment area which is not as intensively occupied. Intensification is already starting to occur within the broader Marrickville employment area of Site 1 with several clusters of B7 zoned lands that permit a wider range of business activity in addition to industrial-type uses.

Journey-to-work data analysis of where employees commute from (analysed at an LGA geography for source of workers) is also useful to understand the role of employment lands, whether they play a local role or if they play a broader regional role in accommodating employment. Analysis of this data suggests:

- TZ 309 (Site 1) - around 10% of workers live locally in the Marrickville LGA while 32% live in the Central District.
- TZ 329 (Site 2) - around 23% of workers live locally in the Marrickville LGA while 47% live in the Central District.

In line with the observations in **Table 3.1**, the broader employment precinct of Site 1 plays more of a regional employment and economic role compared to Site 2.

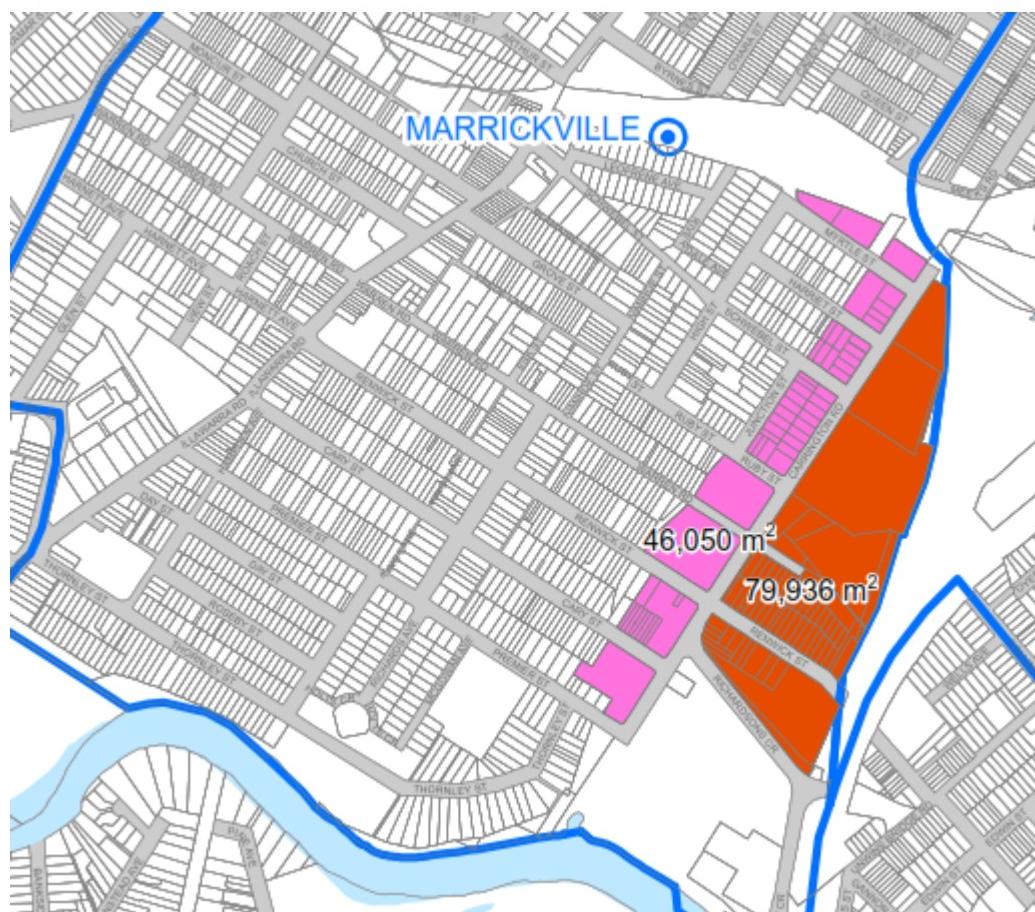
3.2 SITE 3 (CARRINGTON ROAD, MARRICKVILLE)

Site 3 is located at Carrington Road in Marrickville and within that which is referred to as the 'Carrington Road precinct'. The site is bounded on its eastern boundary by the railway line and is located approximately 10 kilometres to the south of the CBD.

The site measures around 13ha and is zoned IN1 General Industrial (shaded red in **Figure 3.2**) and IN2 Light Industrial (shaded pink) and with a designated FSR of 0.95:1. Existing uses are a mix of industrial buildings and warehouses, smaller industrial premises and industrial strata units.

The site is serviced by public transport located between Tempe and Marrickville train stations, major arterial access is provided from Princes Highway to the southeast of the site.

Figure 3.2: Map of Site 3



Source: DPE (2016a)

DPE's own analysis of BTS data suggests the following employment profile of the travel zones (TZs) in which Site 3 are located. Each industry is classified into categories indicating if employment in the TZs are of a "local" nature or if business outputs are exported to beyond the local area. This analysis helps understand if these TZs currently play a regional or more a local service role.

Table 3.2: Employment Profile, Site 3 and broader catchment

Industry	Site 3 (TZ 310, 313)
Local Services	40.2%
Construction	27
Retail Trade	84
Accommodation and Food Services	42
Rental, Hiring and Real Estate Services	7
Administration and Support Services	27
Public Administration and Safety	78
Education and Training	66
Health Care and Social Assistance	96
Arts and Recreation Services	9
Other Services	52
Total	488
Export-oriented	42.9%
Agriculture, Forestry and Fishing	-
Mining	-

Industry	Site 3 (TZ 310, 313)
Manufacturing	183
Electricity, Gas, Water and Waste Services	-
Transport, Postal and Warehousing	160
Information, Media and Telecommunications	108
Professional, Scientific and Technical Services	70
Total	521
Combination of Local Services and Export-oriented	17.0%
Wholesale Trade	165
Financial and Insurance Services	3
Unclassified	37
Total	206
Total	1,215

Source: DPE (unpublished)

In 2011, Site 3 and the broader catchment employed a total of 1,215 workers.

- Owing to its strategic location and connectivity to the M5 Motorway and Sydney Airport, a high proportion of workers are employed in industrial sectors such as transport, postal and warehousing (13.2%), manufacturing (15.1%) and wholesale trade (13.6%).
- Industrial sectors (i.e. manufacturing, construction, wholesale trade, transport) employ more than 40% of workers in Site 2 and the Broader Catchment.

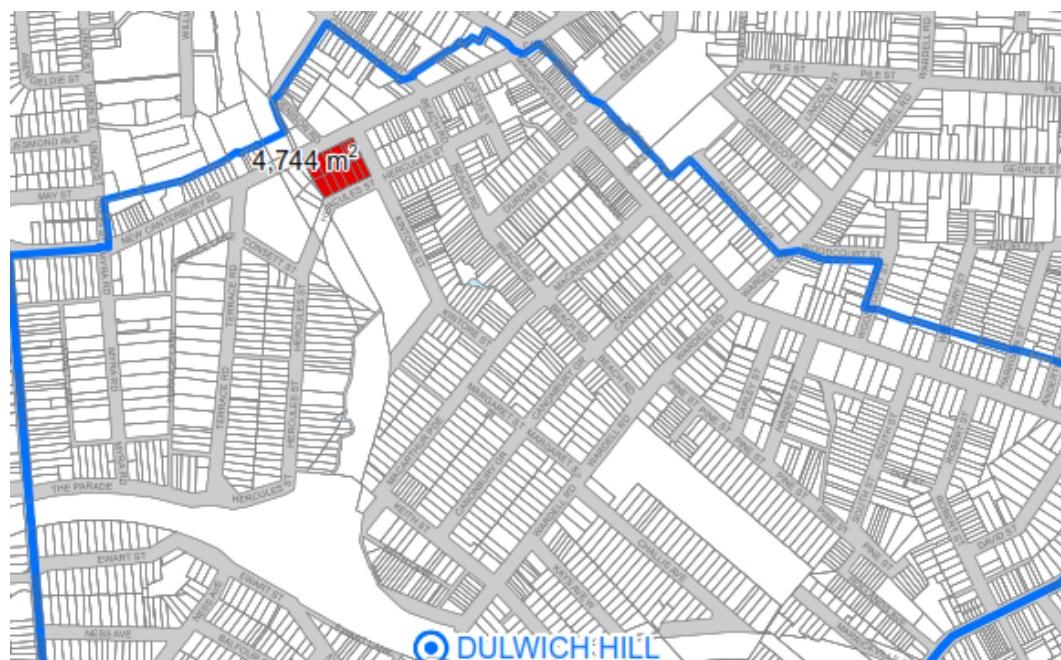
Analysis of journey-to-work data suggests around 23% of workers live locally in the Marrickville LGA while 40% live in the Central District.

In line with the observations in **Table 3.2** the broader employment precinct of Site 2 plays an important regional employment role as it does to accommodate local services.

3.3 SITE 4 (NEW CANTERBURY ROAD, DULWICH HILL)

Site 4 (shaded red in **Figure 3.3**) is located on New Canterbury Road and has a rear frontage to Hercules Street. The site is bounded by Kintore Street in the east and the railway line in the west. It is approximately 10 kilometres from the CBD and proximate to the retail centres of Marrickville, Dulwich Hill, Hurlstone Park and Summer Hill.

Figure 3.3: Map of Site 4



Source: DPE (2016a)

The site measures approximately 4,744sqm and is zoned IN2 Light Industrial with a designated FSR of 0.95:1. Comprising a number of allotments (14 lots), existing buildings comprise various shopfronts and an older style double storey warehouse and factory with access via Hercules Street and New Canterbury Road. A Greek Orthodox Church fronts Hercules Street.

While uses along New Canterbury Road comprise a mix of retail and commercial premises, the uses that surround Site 4 are predominantly residential in nature, with a mix of single detached dwellings and residential unit blocks.

DPE's own analysis of BTS data suggests the following employment profile of the travel zones (TZs) in which Site 3 are located. Each industry is classified into categories indicating if employment in the TZs are of a "local" nature or if business outputs are exported to beyond the local area. This analysis helps understand if these TZs currently play a regional or more a local service role.

Table 3.3: Employment Profile, Site 4 and broader catchment

Industry	Site 4 (TZ 944)
Local Services	74.9%
Construction	8
Retail Trade	40
Accommodation and Food Services	58
Rental, Hiring and Real Estate Services	12
Administration and Support Services	18
Public Administration and Safety	14
Education and Training	62
Health Care and Social Assistance	84
Arts and Recreation Services	10
Other Services	28
Total	334
Export-oriented	15.9%
Agriculture, Forestry and Fishing	3
Mining	-
Manufacturing	19
Electricity, Gas, Water and Waste Services	-
Transport, Postal and Warehousing	-
Information, Media and Telecommunications	3
Professional, Scientific and Technical Services	45
Total	71
Combination of Local Services and Export-oriented	9.2%
Wholesale Trade	5
Financial and Insurance Services	28
Unclassified	8
Total	41
Total	446

Source: DPE (unpublished)

Analysis of employment by industry assists in determining the role and function of a site, or in this case, Site 4 and the broader catchment of TZ 944. In 2011, Site 4 and the broader catchment employed a total of 446 workers.

- Health care and social assistance (18.8%), education and training (13.9%) and professional scientific and technical services (10.0%) are key service industries as a result of primary and secondary education facilities, local health services and professional services, such as accountants, located therein.
- Less represented service sectors, include industries such as accommodation and food services (13.0%) and retail trade (9.0%), which cater to local residents and business needs also feature in Site 4 and the broader catchment.

Analysis of journey-to-work data suggests around 34% of workers live locally in the Marrickville LGA while 49% live in the Central District.

In 2011, Site 4 and the broader catchment employed a total of 446 workers. Workers in Site 4 and the broader catchment are comprised primarily of professionals and community and personal service workers with a large proportion of those employed across white collar dominated sectors, such as health care and social assistance and education and training.

Consistent with its location close to the retail/commercial strip of Marrickville Road, Site 4 and the broader catchment play a distinct local service role, accommodating service workers and local professionals.

3.4 IMPLICATIONS OF PROPOSED LAND USE CHANGE

The Strategy contemplates a zone change for the opportunity sites and for mixed use residential development to occur. Though the Strategy does not rezone the opportunity sites per se, this subject to a separate rezoning process.

- **Site 1 (Gerald Street, Sydenham)**
Rezoning of IN1 and IN2 land to facilitate medium-high rise residential buildings (8 storeys).
- **Site 2 (Grove Street, St Peters)**
Rezoning of IN2 land to accommodate business/enterprise uses as well as medium-high rise residential buildings (8 storeys).
- **Site 3 (Carrington Road, Marrickville)**
Rezoning of IN1 and IN2 land to accommodate medium-high rise residential buildings (8 storeys) and a small proportion of mixed-use/high rise buildings in the north.
- **Site 4 (New Canterbury Road, Dulwich Hill)**
Rezoning of IN2 land to accommodate medium-high rise residential buildings (8 storeys).

Depending on existing lot and ownership patterns, the timing of take-up of development on the opportunity sites could be varied. Given the progress of development planning on Site 3 (particularly on the eastern side of Carrington Road), alternate accommodation options for existing occupiers is likely to be a certainty.

Where development opportunities are not taken up in the short to medium term, it is conceivable that businesses that remain could experience land use conflicts with an emerging residential community.

The next chapter considers if and how displaced businesses in the Opportunity Sites could be accommodated in precincts along the Corridor.

4. DEMAND FOR EMPLOYMENT USES

4.1 COMPETITIVE ENVIRONMENT

A broad spectrum of factors influences business activity along the Corridor. While there are significant influences on business and industry activity from outcomes at the global and national level, internal (localised) Sydenham-Bankstown Corridor market factors influence decisions on location and site selection.

Precincts along the Corridor benefit from its strategic location not far from the Sydney CBD and within proximity to the established population catchment of southwest Sydney. The availability of a train service makes the Corridor accessible to workers and customers alike. Owing to this strategic location, businesses are able to tap into a skilled labour pool as well as locate proximate to suppliers and customers.

Areas within the Corridor are not without their weaknesses. For example, heavy traffic volumes and land fragmentation have resulted in pockets of land being disconnected and isolated from the various activity nodes along Canterbury Road. The legacy of traditional manufacturing activity can be observed with some older style industrial-type buildings lying in disrepair and vacant.

Owing to its locational characteristics, precincts along the Corridor (except Bankstown) are not expected to appeal to traditional office park users. These office park users are more likely to be attracted to an office park setting (e.g. Sydney Olympic Park, Macquarie Park) where there is a critical mass of similar commercial tenants. Notwithstanding, those commercial businesses that are part of a service industry (e.g. real estate agents, tax agents, financial advisors, etc.) would seek to be located close to population catchments.

Large floorplate industrial users (e.g. logistic and transport based uses) are increasingly locating in Greenfield locations such as Eastern Creek and Erskine Park, whether there is good access to major transport corridors and the cost of land is low enough to allow for development of large land parcels. Notwithstanding, those industrial businesses that are part of a service industry (e.g. panel beaters, food and beverage manufacturers, clothing distributors, etc.) would seek to be located close to their key markets across metropolitan Sydney. These users still require good and unimpeded access as well as the ability to operate in a conflict-free environment.

The next sections examine market and projected demand for employment and business floorspace along the Corridor.

4.2 PROPERTY MARKET ANALYSIS

The property market has a role to play through provision of quality buildings and places. An understanding of the market dynamics that prevail in each relevant market sector is critical in understanding the environment within which new development could occur (and which could accommodate employment floorspace demand).

This section details the findings of our property market analysis which enable an appreciation of the dynamics that subsist in each market sector which consequently underpin the attractiveness of current and future development.

In order to investigate the relative desirability of employment precincts and centres along the Corridor as well as understand the ability of these employment precincts and centres to accommodate increased employment in the future, each of the station precincts were profiled by group or sub-market:

- **Inner** - Sydenham, Marrickville, Dulwich Hill station precincts.
- **Middle** - Hurlstone Park, Canterbury, Campsie, Belmore station precincts.
- **Outer** - Lakemba, Wiley Park, Punchbowl, Bankstown station precincts.

Profiling of the station precincts reflects ‘substitutability’ of the precincts within a sub-market grouping. For example, owing to comparable locational qualities and pricing levels (rents and sale prices), it is conceivable that if a business seeking accommodation in Sydenham’s industrial areas is unsuccessful, that business would consider options in Marrickville. By analysing the station precincts in sub-market groups by geography, an understanding into the substitutability of markets along the Corridor can be obtained. This allows us to consider the likelihood of displaced businesses being able to secure alternate accommodation in the Corridor (following rezoning of Opportunity Sites).

Inner (Sydenham, Marrickville, Dulwich Hill)

Industrial Uses

Sydenham and Marrickville's industrial areas (demarcated as IN1 and IN2 zoned lands) are prominent and well sought after. Concurrent with a wave of redevelopment of former industrial lands into mixed use residential in South Sydney (including the suburbs of Alexandria, Zetland, etc. in Green Square), displaced businesses are observed to have entered the markets of Sydenham and Marrickville to seek alternate accommodation.

Increasing competition for space has resulted in rising rents, low vacancies and minimal incentives with new leasing deals. Small and medium size tenancies (250sqm-350sqm) are reportedly receiving the most interest, as is high clearance warehouse space. Tenants are increasingly observed to seek at least 5-year lease terms in an effort to secure certainty of tenure. Leasing agents observe this to be a product of numerous instances where industrial properties are redeveloped and tenants who are not on fixed leases have been particularly vulnerable.

The lack of new supply and growth in demand (not just from businesses within the area but from displaced businesses elsewhere in Sydney) has resulted in upward pressure on rents. Businesses that are unable to secure suitable accommodation are observed by local leasing agents to consider more affordable options in Bankstown and Campsie.

Owing to the tight nature of the industrial market, even older-style or less functional industrial space is observed to be quoting relatively high rents. As an example, upper floor warehouse space (180sqm) at 3 Hogan Avenue in Sydenham is currently available for lease at a quoting rent in the order of \$180/sqm of lettable area. The space is located above an auto mechanic which limits the functionality of the space and accordingly its marketability, however its asking rent illustrates the current level of market expectations.

Contemporary industrial space is well received by the market, evidenced by the rate of sale and prices achieved at Enterprise Industrial Estate at 80 Edinburgh Road in Marrickville. Notwithstanding the strong demand for well-located and functional industrial space, there are instances of larger industrial properties experiencing longer marketing periods (e.g. 1,000sqm at 22-26 Myrtle Street in Marrickville).

Industrial users are observed to be less sensitive to the age and presentation of accommodation subject to accessibility and functionality of the space. In contrast, retail and commercial users place more importance on aesthetic factors as observed further next.

Retail and Commercial Uses

Demand for retail and commercial uses is prominent in Marrickville and Dulwich Hill precincts, underpinned by new residential developments and population growth in the areas immediately surrounding. In contrast, the retail and commercial market in Sydenham is subdued with few quality spaces available for sale or lease.

Discussions with local leasing agents indicate interest from small retail businesses (e.g. food retailers and small boutique operators) in Sydenham however due to the limited availability of good quality stock many of these businesses locate to neighbouring Marrickville. That said, recently refurbished ground floor space at 11 Gleeson Avenue in Sydenham in close proximity to the train station was recently leased to a small fashion store. This is indicative of demand from small local businesses for well-positioned, modern space in Sydenham.

In Marrickville, the demand for retail space operates in a two-tier market (north and south of the rail line). Retail space along Marrickville Road is highly sought after with rents observed between \$600/sqm and \$1,000/sqm of lettable area. In comparison, retail space along Illawarra Road achieves rents in the order of \$250/sqm to \$350/sqm of lettable area. Though the southern portion of Illawarra Road is anchored by Woolworths, the retail strip lacks vibrancy as new multi-residential living has been focused further to the north.

Discussions with local agents active in the area indicate demand along the Marrickville Road strip is predominantly driven by food retailers in line with the emergence of a café and food culture along the strip. A tension between landlords and tenants is observed, with landlords noted to be seeking short term leases which contain demolition clauses as they allow for the option of redevelopment while businesses seek longer term leases to ensure an acceptable return on their investment into shop fitout, etc.

Dulwich Hill precinct is heavily pedestrianised, influenced by the presence of two light rail stations in close proximity. Like Marrickville, there is good demand for limited available stock of retail space. The footprint of the traditional retail strip (previously clustered at the intersection of Marrickville Road and New Canterbury Road) is observed to be expanding, with ground floor retail space at 419 New Canterbury Road currently available at a quoting rent of \$430/sqm of lettable area. This property is located to the north of the Marrickville Road/New Canterbury Road intersection in an area generally subject to high traffic volumes and low footfall but experiencing a revitalisation and lift in profile. This is a trend that is likely to continue as sites renew and new residents move in - sites previously considered 'fringe' or undesirable becoming more appealing and contributing to a rejuvenation of the retail strip.

Quality office suites are limited and usually swiftly absorbed as they are available. The recent sale of 420 Canterbury Road in Dulwich Hill for \$11,000/sqm of lettable area is testament to the demand for quality office units.

Middle (Hurlstone Park, Canterbury, Campsie, Belmore)

Industrial Uses

There is minimal industrial zoned land in these station precincts, limited to two clusters in Belmore along Benaroon Road and Lakemba Street.

Interest in space in Belmore is observed to be exceptionally strong, particularly from automotive and construction sectors. Discussions with local agents indicate most space is sold or leased within 1-2 months of marketing given the area's relative affordability compared to Kingsgrove and Revesby. High clearance warehouses (100sqm-350sqm) are most popular, recent leasing deals observed to be at rents 20% higher than in the 12 months prior.

As observed in the Inner precincts above, industrial users are less sensitive to aesthetic presentation and are more willing to consider space that may be aged but still functional. For example, despite the relatively poor quality of stock, 352 Canterbury Road in Hurlstone Park which is an older-style warehouse (330sqm) is available for lease at a quoting rent of \$140/sqm. Despite its age and quality the leasing agent expects it to be leased swiftly given the volume of interest received.

Investor interest for industrial assets remains steady, particularly from self-managed super funds. Local sales agents indicate new industrial space would be particularly well received if brought to the market. The off-the-plan sales of industrial units at 11 Davies Road in Padstow where 25 industrial strata units were released for sale in late 2015 and sold by mid-2016, is testament to the market's appetite for contemporary industrial space. This affirms the experience of Enterprise Industrial Estate at 80 Edinburgh Road in Marrickville where industrial strata units are well sought after and achieving prices in excess of \$5,000/sqm.

Businesses unable to find space are understood to consider alternatives in Revesby and Padstow which are themselves subject to good levels of market demand.

Retail and Commercial Uses

Demand for retail space in the 'Middle' stations of Canterbury, Campsie and Belmore (with the exception of Hurlstone Park) is notably strong.

The quality of stock in Hurlstone Park is poor. Retail space in and around the Hurlstone Park station performs poorly, many properties are occupied by local residents who utilise the ground floor space for storage purposes and who live upstairs. The centre is in need of revitalisation and renewal.

Recent mixed use developments and population growth have spurred demand for retail and commercial space in Canterbury and Campsie and have contributed to centre vitality and revitalisation, particularly in the case of Canterbury. A mixed use development at 211 Canterbury Road highlights the market's appetite for modern retail space - 10 ground floor shops (38sqm-50sqm) sold off-the-plan in early 2016 after 3 months of marketing, achieving prices of \$6,000/sqm to \$6,500/sqm of lettable area. In contrast, older-style retail space along Canterbury Road achieves prices 20%-30% lower at \$5,000/sqm-\$5,500/sqm.

The retail market in Campsie is the strongest of the 'Middle' station precincts, evidenced by sale prices of retail space in excess of \$10,000/sqm. The presence of the Campsie Shopping Centre contributes to the area's 'pull' as a retail destination.

The commercial office market is softer. This is observed to be more a function of the limited availability of good quality office space, rather than a lack of demand or business interest. As an example, recently refurbished office space at 208a Beamish Street which is currently on the market at quoting rent of \$600/sqm-\$700/sqm is understood to be receiving good interest. In contrast, a number of older commercial suites along Beamish Street are also available for lease at quoting rents of \$200sqm-\$350/sqm but to little market interest.

In addition to B2 zoned lands in the centres, Canterbury, Campsie and Belmore also incorporate pockets of B5 and B6 zoned land. These pockets are observed to attract a variety of businesses, from automotive businesses to bulky goods operators as well as gym and fitness studios. Owing to a shortage of accommodation in industrial zones (IN1 and IN2), industrial-type users are also observed to seek accommodation in B5 and B6 zoned lands. While higher rents may be applicable, these industrial-type users weigh up the cost of higher rents against industrial accommodation in the west which may be farther away from their key markets and suppliers.

Outer (Lakemba, Wiley Park, Punchbowl, Bankstown)

Industrial Uses

There is minimal industrial zoned land in these station precincts, limited to Punchbowl Road/Yerrick Road in Lakemba precinct and a small pocket off Canterbury Road in the south of the Punchbowl precinct.

Similar to the Inner and Middle station precincts, the industrial market has performed well over the past 12 months, with strong demand notably from automotive businesses and construction companies as well as export and wholesale businesses. While interest from traditional industrial users remains strong underpinned by the relocation of many businesses from Alexandria and surrounds, warehousing/export businesses are observed to be increasingly active given the lack of industrial space close to Port Botany. Demand from traditional manufacturing businesses is observed to be in decline, many of who are relocating to more affordable areas in the Outer West of Sydney.

A frenzy of leasing activity in early to mid-2016 indicates rents of \$120/sqm-\$180/sqm are being achieved for industrial space. Landowner expectations are also shifting as developers seek out industrial sites perceived to have residential development potential.

High clearance, freestanding warehouses with good accessibility are highly sought after given the increasing number of distribution and storage businesses seeking accommodation in the area.

Local industrial agents comment that the emergence of residential developments along Canterbury Road is proving to be problematic (greater traffic volumes) for existing industrial and large format users who are reliant on transport.

Retail and Commercial Uses

Lakemba has the strongest retail sub-markets of the station precincts in this grouping. The co-location of Middle Eastern food retailers and grocery stores is a key factor for the 'pull' of the precinct as a destination. Space is tightly held and rare leasing deals demonstrate relatively high rents (\$700/sqm at 109 Haldon Street).

In sharp contrast to Lakemba, the Wiley Park retail and commercial market is small and the centre is in need of revitalisation. Current space is of poor quality with little interest reportedly received by local agents. Local agents observe the lack of interest to be a function of the lack of available good quality stock with most businesses preferring to locate in Punchbowl or Bankstown. This observation bears similarities to the precincts of Sydenham and Hurstville Park, where a lack of market activity is not symptomatic of market demand, rather of the poor quality of available supply.

Retail space in Punchbowl is also observed to be tightly held. Older-style high street retail and office space is observed along Punchbowl Road to the south of the train station. The completion of the Broadway Plaza as part of a mixed use residential development has lifted the profile of the retail market in Punchbowl. Recent leasing activity indicates quoting rents are in the order of \$580/sqm-\$620/sqm of lettable area which represents a notable premium over high street retail along Punchbowl Road and The Boulevard. Commercial space is extremely limited, conceivably leading to high prices quoted for office suites in the order of \$11,000/sqm of lettable area.

Owing to significant development activity in Bankstown, there is observed to be a surge in demand for good quality, well located retail and commercial floorspace. The market is noted to be discerning, this observed from price signals for new and contemporary space compared to older-style space.

Recent deals at 12A and 15 Restwell Street indicate retail rents of \$200/sqm-\$350/sqm, the relatively low rates due to age and relative poor condition. In contrast, new space in recently opened Little Saigon Plaza is achieving rents circa \$1,000/sqm.

The market for commercial office space in Bankstown is strongest for small suites (50sqm-100sqm). Larger office space tends to experience longer letting-up periods.

For detailed commentary on property markets in each station precinct refer to Appendix A.

4.3 EMPLOYMENT PROJECTIONS

BTS provides employment projections by TZ for the Sydney Metropolitan region (BTS, 2014b). However, these projections are dated and do not include consideration of some major infrastructure projects. To better reflect the potential impacts of this major infrastructure on employment, AEC carried out employment projections to estimate potential floorspace demand for the Sydenham to Bankstown Corridor.

The development of employment projections was undertaken in two steps:

- **Base employment projections**

This is carried out using BTS projections by 3-digit ANZSIC by travel zone, rebased and calculated by applying industry growth rates to 2011 employment numbers.

- **Revised employment projections**

This is carried out to reflect infrastructure developed or planned that were not contemplated in the base BTS employment projections, resulting in a reallocation of where employment is located.

Two key factors for where employment is located is population growth (as a proxy for demand for goods and services by households) and industry prevalence/growth (as a proxy for desirability of a location for industry).

Changes in population growth are expected to be the main influence on employment locating to the Sydenham-Bankstown Corridor. Infrastructure is not anticipated to substantially change the centres hierarchy for commercial and industrial employment, but changes in population will result in changes in household spend within the catchment.

A description of the approach to demand projections is contained in Appendix B.

Based on the approach set out above (and in Appendix B), the projections in **Table 4.1** demonstrate the station precincts are projected to have a significant amount of employment growth.

Table 4.1: Employment Projections, 2011-2041

Precinct	2011	2016	2021	2026	2031	2036	2041	Change (2011-2041)
Total Employment								
Sydenham	5,795	6,338	6,554	6,666	6,846	7,049	7,300	1,504
Marrickville	2,775	3,151	3,282	3,382	3,545	3,707	3,885	1,111
Dulwich Hill	1,119	1,288	1,350	1,396	1,482	1,563	1,649	530
Hurlstone Park	534	574	621	673	727	790	867	334
Canterbury	1,334	1,399	1,478	1,573	1,676	1,796	1,949	615
Campsie	4,952	5,474	5,898	6,320	6,752	7,238	7,823	2,871
Belmore	2,529	2,733	2,852	2,989	3,135	3,302	3,505	976
Lakemba	2,320	2,573	2,742	2,923	3,103	3,309	3,562	1,242
Wiley Park	619	687	763	851	942	1,051	1,196	578
Punchbowl	1,300	1,425	1,552	1,702	1,851	2,024	2,244	944
Bankstown	8,869	9,352	9,940	10,535	11,152	11,846	12,671	3,802
Total	32,146	34,994	37,033	39,009	41,212	43,675	46,653	14,506

Precinct	2011	2016	2021	2026	2031	2036	2041	Change (2011-2041)
Net Additional Employment								
Sydenham		542	217	111	180	203	251	1,504
Marrickville		376	131	99	164	161	179	1,111
Dulwich Hill		169	62	46	86	81	86	530
Hurlstone Park		40	47	52	55	62	77	334
Canterbury		65	79	95	104	120	153	615
Campsie		522	424	423	432	486	585	2,871
Belmore		204	119	137	146	167	204	976
Lakemba		253	169	180	180	206	253	1,242
Wiley Park		68	76	88	91	109	146	578
Punchbowl		125	127	150	149	173	220	944
Bankstown		483	588	594	618	693	825	3,802
Total		2,848	2,039	1,976	2,203	2,462	2,978	14,506

Source: BTS (2014), DPE (2016), AEC (2016)

*Note that projections are carried out according to travel zones (TZs) and do not exactly align with precinct boundaries.

Utilising floorspace per employee ratio assumptions for each industry, the employment projections are converted into floorspace demand by type.

Table 4.2: Employment Floorspace Projections ('000sqm), 2011-2041

Precinct	2011	2016	2021	2026	2031	2036	2041	Change (2011-2041)
Total Employment								
Sydenham	462.5	490.3	495.5	498.9	506.6	516.8	531.1	68.6
Marrickville	155.3	170.4	175.3	179.6	186.6	193.8	202.2	46.9
Dulwich Hill	52.5	59.7	62.0	63.9	67.3	70.6	74.2	21.6
Hurlstone Park	24.0	25.6	27.5	29.7	32.1	34.9	38.4	14.4
Canterbury	86.1	88.8	92.6	97.6	103.3	109.9	118.3	32.2
Campsie	206.0	224.1	237.2	252.0	267.7	286.0	308.6	1,020.6
Belmore	158.7	171.8	175.5	181.2	187.8	195.8	205.8	47.1
Lakemba	143.5	156.0	160.4	166.4	172.9	181.0	191.5	48.0
Wiley Park	37.6	40.8	43.9	47.9	52.3	57.6	64.6	26.9
Punchbowl	78.9	85.7	91.7	99.2	107.1	116.1	127.4	48.5
Bankstown	335.1	353.3	372.9	394.4	417.4	443.6	475.5	140.5
Total	1,740.3	1,866.5	1,934.5	2,010.9	2,101.1	2,206.0	2,337.6	597.3
Net Additional Employment								
Sydenham		27.8	5.2	3.4	7.7	10.2	14.2	68.6
Marrickville		15.1	4.9	4.4	6.9	7.2	8.4	46.9
Dulwich Hill		7.2	2.3	1.9	3.4	3.3	3.6	21.6
Hurlstone Park		1.6	1.8	2.2	2.4	2.8	3.5	14.4
Canterbury		2.7	3.8	4.9	5.7	6.6	8.4	32.2
Campsie		18.1	13.2	14.8	15.7	18.2	22.6	1,020.6
Belmore		13.0	3.8	5.7	6.7	8.0	10.1	47.1
Lakemba		12.5	4.4	6.60	6.5	8.0	10.5	48.0
Wiley Park		3.1	3.	4.0	4.4	5.3	7.0	26.9
Punchbowl		6.8	6.0	7.6	7.8	9.0	11.3	48.5
Bankstown		18.2	19.6	21.5	23.0	26.2	31.9	140.5
Total		126.2	68.0	76.4	90.2	104.9	131.6	597.3

Source: BTS (2014), DPE (2016), AEC (2016)

*Note that projections are carried out according to travel zones (TZs) and do not exactly align with precinct boundaries.

Floorspace demand is mobile and does not operate in a vacuum. Small area demand projections (where only one or two travel zones are used) can be subject to a high degree of volatility and consequently be unreliable indicators of demand. This is because markets are substitutable, i.e. even though the market may demand floorspace in a certain suburb, if no suitable options are available the market will consider other comparable markets.

The next chapter examines market considerations and issues of development feasibility in assessing the extent to which projected floorspace demand is likely to be accommodated in each precinct.

5. ACCOMMODATING FUTURE GROWTH

5.1 CURRENT AND FUTURE LAND USES

Where significant growth (both population and employment) is to be accommodated on land which is a finite resource, tensions between land uses is inevitable. This is observed in the Corridor (as noted in section 4.2) where agents observe the challenges businesses along Canterbury Road face with the introduction of residential units.

The decline of traditional manufacturing activity has been widely commented upon. As global competition for manufacturing activity continues, in order for Australian businesses to remain competitive, the nature of industrial and other activities undertaken on-shore is necessarily changing. For example, while there is no longer any need for floorspace to accommodate automotive manufacturing (closure of Ford, Holden and Toyota manufacturing plants), there is a growing need for floorspace to accommodate wholesaling and retailing functions. This transition is already observed in the Corridor, where an increasing number of export and wholesale businesses seek space.

Local service business (e.g. automotive repairs, panel beaters, appliance repairs, food and beverage suppliers) require industrial-type floorspace in proximity to their key markets, which are population-driven. Local service businesses also require retail and commercial space close to population catchments from which they can operate.

Almost without exception, the strength of market demand observed along the Corridor has resulted in rising rents and prices, falling vacancies and incentives. The exceptions are Hurlstone Park and Wiley Park where poor retail performance is more a result of the quality, layout and configuration of existing stock. Market considerations underpin how each precinct can accommodate demand for employment floorspace.

5.2 MARKET CONSIDERATIONS

Market suitability and demand underscores the viability of employment floorspace. Different factors influence the attractiveness and appeal of space, for example the aesthetic presentation of industrial space is arguably less important however is critical for retail and commercial space to have market appeal.

Market intelligence gathered in section 4.2 indicates healthy demand for a range of employment uses, though the ability of each precinct to meet demand is limited by the availability and quality of stock which is generally insufficient to meet demand.

Industrial Uses

Over the last decade many large format, transport and logistics based industrial users have taken up accommodation (>5,000sqm) in Western Sydney (e.g. Eastern Creek, Erskine Park) where space is cheaper and access by large trucks is not impeded.

The move of large format industrial users to Western Sydney does not diminish the accommodation need of those industrial users that service local population needs. These businesses typically require smaller accommodation (<1,000sqm) that is accessible to their key markets (suppliers and customers).

The industrial areas of Sydenham and Marrickville are established and have wide market appeal. Recent development of strata industrial units has been met by high levels of market acceptance. Anecdotal evidence indicates rising price levels and a dearth of availability has caused some users seeking space in the Inner precincts (Sydenham, Marrickville and Dulwich Hill) to consider Campsie and Bankstown which are precincts along the Corridor. Those industrial users seeking and unable to secure space in the Middle precincts are understood to then consider Revesby, Padstow and Bankstown which are also experiencing high levels of demand.

There is limited industrial zoned land (IN1 or IN2) in the station precincts. There are clusters of B5 and B6 zoned land particularly along main arterial roads in the Corridor. These zones can generally accommodate a range of industrial-type uses as well as a range of business uses, including retail, office and recreational uses. Due to their more flexible and wider-ranging permissibility of uses, price levels in these zones are typically higher compared to prices in industrial zones. Despite the higher rents and price levels, industrial-type users are observed to be weigh the higher cost of remaining within the locality against the higher cost of relocating further to the west (i.e. cost of transport, logistics and time).

Retail Uses

Retail uses are directly driven by population growth. New development and population growth along the Corridor has spurred demand for retail and non-retail uses with well-located space (both existing and new) benefitting from rising demand and price levels. Retail floorspace is experiencing strong demand conditions in all precincts except Sydenham, Hurlstone Park and Wiley Park. Our investigations suggest the lack of interest observed in these precincts is rather a function of the small amount and poor quality of stock available. Should good quality stock become available, keen market activity is likely to result.

A short supply of quality retail floorspace is a general observation along the Corridor. A broadening of retail nodes is observed to be occurring incrementally, e.g. in the Dulwich Hill precinct where retail space once considered "fringe" is gaining market acceptance owing to the shortage of retail space options in the area.

As the balance between supply/demand conditions causes price levels to reach unaffordable limits for businesses, it is inevitable that it will spur landowners of space on the fringes to reinvest in upgrading shopfronts and refurbishing internal accommodation. This will then cause retail strips to lengthen past the traditional boundaries.

The incorporation of retail floorspace on the ground floor of new mixed use development and new shop top housing in the Strategy will undoubtedly help to address the supply shortfall of retail space but also contribute to the viability and vitality of retail strips along the Corridor. This will be particularly important for the revitalisation of retail strips in Sydenham, Hurlstone Park and Wiley Park.

Commercial Uses

Commercial office users drawn to the Corridor are not of the same profile as users who demand space in the office park such as North Sydney, Sydney Olympic Park or even Rhodes Corporate Park. Bankstown which is a strategic centre is an exception to this observation, playing an important role to accommodate government agencies and key service providers.

The majority of demand for commercial office floorspace in the Corridor is from local service businesses, for example professional services (accountant, tax advisor, lawyer), commercial services (bank, medical services, travel agency) and personal services (massage therapist, podiatrist). These users are discerning and require space that is not only aesthetically pleasant, the space also requires proximity to retail and transport services.

Market investigations reveal commercial office suites in some precincts experienced poor market response with protracted letting-up periods and modest rents achieved. Similar to the market for retail space, observations suggest this is less of a demand issue, rather a supply issue, in that the supply is poor quality and does not meet market requirements.

New development and renewal opportunities facilitated by the Strategy will assist to deliver modern, contemporary office floorspace needed to meet market demand and requirements.

5.3 OPPORTUNITY FOR EMPLOYMENT INTENSIFICATION

In light of the contemplated rezoning of Opportunity Sites (examined in Chapter 3) this section examines the capacity and likelihood of businesses that may be displaced from those opportunity sites to be accommodated in the station precincts along the Corridor.

5.3.1 Accommodating Businesses from Opportunity Sites

This section revisits the analysis of the respective employment profiles in Chapter 3 that provided an understanding of the types of industries that occupy the Opportunity Sites. Some opportunity sites service a local catchment while others a broader regional catchment.

This section also considers the results of a business audit by DPE into businesses observed to occupy each Opportunity Site. The intention of this section is to understand (at an aggregate and desktop level) the types of businesses that occupy the Opportunity Sites in order to gauge their floorspace requirements should they require accommodation elsewhere.

Site 1 (Gerald Street, Sydenham) and Site 2 (Grove Street, St Peters)

Site 1 is part of a large employment precinct in Marrickville. Heavier, traditional industrial uses are being replaced by lighter industrial and mixed business activity, resulting in a noticeable shift in business floorspace requirements. Many lighter industrial and business uses (e.g. arts and recreation uses, food and beverage manufacturing uses as well as clothing distributors) require smaller floorplates of accommodation.

A business profile audit was carried out in 2015 (DPE) to identify occupiers and their respective industries.

- **Site 1**

Among those businesses identified: wholesalers (clothing, fresh food, engineering equipment), manufacturers (food, building signage), brothel, charity group and community club. These businesses occupy small tenancies with some buildings accommodating different tenants on ground and first levels.

- **Site 2**

Businesses identified include: high proportion of manufacturers (furniture, construction materials, clothing and costumes, woodworking and screen printing). These businesses occupy larger spaces with vehicular access and loading areas available.

On an overall basis, businesses on Site 1 could be accommodated within industrial zones while some of the businesses could conceivably find suitable accommodation in retail/business zones, for example, B5, B6 and B7 zones, owing to their small floorplate requirements and commercial-type requirements.

Businesses on Site 2 though, would conceivably be more suited to another industrial zone where space is more generous and heavy vehicle access and loading areas are available.

Site 3 (Carrington Road, Marrickville)

Owing to its strategic location and connectivity to the M5 Motorway and Sydney Airport, a high proportion of workers employed on Site 3 are in traditional industrial sectors such as transport, postal and warehousing (13.2%), manufacturing (15.1%) and wholesale trade (13.6%).

A business profile audit carried out in 2015 identified a mix of occupiers (those who respond to broader regional need and those who service a local catchment). Those who might service a broader regional catchment include: cabinet makers, textile manufacturer, metal fabricator, solar shade manufacturer, construction safety equipment supplier. In contrast a number of businesses could conceivably play a local service role: food catering, coffee and ice cream wholesalers, art school and gallery, grocery supplier.

These business occupy a mix of industrial buildings and warehouses, smaller industrial premises and industrial strata units.

Overall, businesses on Site 3 could be accommodated within industrial zones while some businesses could equally be accommodated in retail/business zones due to potential requirement to be close to population catchments.

Site 4 (New Canterbury Road, Dulwich Hill)

Site 4 is comprised of a small cluster of small businesses occupying a mix of retail and commercial-type premises. Surrounding uses are mostly residential in nature.

Analysis of the employment profile of the broader travel zone, indicate a high prevalence of local service businesses, including health care and social assistance (18.8%), education and training (13.9%) and professional, scientific and technical services (10.0%).

A business profile audit carried out in 2015 identified a gym, tailor, confectionery shop, home improvement suppliers (kitchens, ceramic tiles) and appliance services (computer and video equipment, printing and photography services). Due to Site 4's proximity to the retail strips of Marrickville Road and New Canterbury Road, it is unsurprising that these businesses play a complementary local service role.

These businesses could conceivably be accommodated in a wide range of business zones (both in employment precincts and in centres) should alternate premises in industrial zones be unavailable.

5.3.2 Employment Intensification in the Corridor

A major challenge in infill and brownfield areas is the tension between land uses and for uses to be accommodated within scarce lands that are not only suitable but available. Land and ownership fragmentation often means that development sites are difficult to assemble. As a consequence, development feasibility is a major hurdle for large scale renewal in brownfield/infill locations, unless there is a change in use or the site is redeveloped to a 'higher and better use'.

A 'higher and better use' is often associated with residential development, however it is useful to consider this concept in the context of a use that is either a densification or intensification of existing built form.

- **Densification**

This refers to an increase in density, typically associated with greater floorspace or heights. Measures of density can be represented by FSR, building heights and setbacks, site coverage ratios, etc.

Not all uses respond to density. Industrial uses are not generally one of those uses that respond to density in the manner that residential or commercial uses do. Notwithstanding, some developers have been able to achieve increased densities (and higher values) by combining various uses within a building including industrial functions.

- **Intensification**

An intensification of use is not necessarily accompanied by an increase in floorspace density. Increased intensification can occur without increased density and can be measured in any of the following metrics:

- Increased economic and employment activity (e.g. more employees per sqm, more output per sqm, etc.).
- More efficient use of land and resources.
- Extending the lifespan of available industrial lands.

Intensification can occur in different ways for different industries and sectors, from greater use of technology and automation with higher building ceilings or to more intense employee/floorspace ratios (generally associated with inclusion of more office-type floorspace).

Even though there may be market demand for employment floorspace, unless redevelopment translates into a higher value than the existing use including any improvements, development will not occur. Development will only occur if the proposed use is valuable enough to displace the existing uses.

In many established areas across Sydney, even though properties may be old, existing-use values can be quite high as the buildings still offer a degree of functional utility and are consequently valuable. As a response to high land values in inner suburban locations many new developments are observed to combine a range of uses.

- **Enterprise Industrial Estate**

A successful model delivered in Marrickville (80 Edinburgh Road), Alexandria, Frenchs Forest where a combination of uses (retail showroom, industrial strata units, self-storage units) are effective in facilitating a feasible development.

This is an example of an *intensification of use* by allowing a higher rate per square metre of revenue to be achieved (note the FSR is only moderate at around 1:1).

- **Little Saigon Plaza**

Located at 462 Chapel Road in Bankstown, this development combines a number of uses in *densification of development* (over numerous levels) to combine retail, medical, office and recreational uses to achieve a higher rate of revenue per square metre.

The ability and likelihood of the station precincts to accommodate more employment uses (as well as businesses from Opportunity Sites that may seek alternate accommodation) is examined next.

Inner (Sydenham, Marrickville, Dulwich Hill)

Despite the volume of industrial zoned land in Sydenham and Marrickville, the lack of new supply of industrial floorspace and growth in demand not just from businesses within the area but also from those displaced elsewhere in Sydney has resulted in a tight market where rents and prices are on the rise amid falling vacancies and incentives. Businesses who seek industrial-type floorspace in these precincts are doing so in extremely competitive circumstances. A continued displacement of businesses from Green Square (Alexandria, Zetland, Waterloo, etc.) and other parts of South and South West Sydney is likely to keep competition for industrial space high.

In the 'Inner' precincts there is more opportunity for employment floorspace to be accommodated in business zones in centres (B1, B2, B4 zones) rather than industrial zones.

- **Economic rents for refurbishment of existing space**

As rents and prices continue to rise driven by a shortage of good quality retail space, there will be increased incentive for building owners to reinvest in retail and commercial properties on the fringe of the precinct, those currently only leased at nominal rents.

As an example, in the south of the Marrickville precinct along Illawarra Road, even though Woolworths is an anchor retailer, the surrounding retail offer is of poor quality and pedestrian footfall is also poor. As the local population catchment continues to demand retail and non-retail services, rising rents could reach economic levels required for refurbishment and upgrade of existing space.

In any event, 'fringe' retail and commercial space could conceivably accommodate some displaced businesses from the opportunity sites.

- **Newly developed space**

Good development prospects of mixed use development in these precincts will concurrently deliver retail and commercial floorspace that is attractive, contemporary and to market requirements.

Middle (Hurlstone Park, Canterbury, Campsie, Belmore)

There is minimal industrial zoned land in these precincts, limited to two clusters in Belmore along Benaroon Road and Lakemba Street. Interest in these areas is observed to be strong, where recent leasing deals suggest rents have increased by 20% in the 12 months to September 2016. Many businesses who are unable to secure space in this area are understood to consider alternatives in Revesby and Padstow.

Owing to the shortage of accommodation in industrial zones, some industrial users are observed to seek accommodation in B5 and B6 zones along Canterbury Road, weighing up the potential higher cost of accommodation against increased business cost of moving outward to Western Sydney.

There is a distinct two-tier retail market prime retail space in Campsie and Canterbury tightly held and achieving prices in excess of \$10,000/sqm and \$6,000/sqm respectively. Secondary retail space on the fringe of each station precinct is also in demand however achieving lower prices. Demand for retail space in Hurlstone Park is virtually non-existent, a product of limited residential growth in the immediate catchment and poor quality of existing stock.

Businesses from the Opportunity Sites, particularly those that do not require high visibility or exposure, could conceivably be accommodated in Hurlstone Park and other fringe areas where retail and commercial rents are modest. An offer of higher rent could provide an incentive to displace the existing uses.

There is a significant amount of B5 and B6 zoned land along Canterbury Road in Canterbury, Campsie and Belmore (circa 12.6ha). These lands have the potential for intensification of use and could contribute to accommodating some of the businesses from the Opportunity Sites.

Outer (Lakemba, Wiley Park, Punchbowl, Bankstown)

Similar to the Middle station precincts, there is minimal industrial zoned land in the Outer precincts. Industrial zoned land is limited to Punchbowl/Yerrick Road in Lakemba and a small pocket off Canterbury Road in the south of Punchbowl precinct. Leasing conditions are observed to be highly competitive, as businesses vie for limited space available. There is consequently more opportunity for employment floorspace to be accommodated in business zones (B5 and B6 zones) rather than industrial zones.

There is a notable amount of B5 and B6 zoned land along Canterbury Road in Lakemba, Wiley Park and Punchbowl (circa 10.5ha). These have the potential for intensification of use and could contribute to accommodate businesses who seek accommodation in the Middle station precincts (Canterbury, Campsie and Belmore) who may be priced out by displaced businesses from the Opportunity Sites seeking accommodation in the Middle station precincts.

5.4 ACCOMMODATING PROJECTED EMPLOYMENT

It is a truism that capital in search of any investment is mobile and will gravitate to the opportunity that offers the most attractive return. In deciding whether to refurbish/upgrade existing employment floorspace or develop new employment floorspace, a landowner will only make the investment if it will result in a more valuable land use. If the current buildings are in good condition, functional and yielding an attractive return, a comprehensive redevelopment (and demolition) may not be a financially feasible proposition. However, if there is sufficient rental upside, refurbishment of the asset may be an attractive investment proposition.

The Strategy envisages providing for shop top housing (with ground floor active uses including retail and commercial) in most of the station precincts. This will complement existing retail and commercial space in the precincts.

5.4.1 Projected Employment Floorspace Demand

Based on anticipated changes to population growth around station precincts following the completion of the Sydney Metro, floorspace projections were undertaken to understand potential demand for space along the Corridor. As identified in section 4.3 and 5.3, demand for floorspace is mobile. If space sought is not available in a certain area, businesses will consider alternate locations in comparable markets.

Table 5.1: Employment Floorspace Projections ('000sqm), 2011-2041

Precinct	2011	2016	2021	2026	2031	2036	2041	Change (2011-2041)
Total Employment								
Sydenham	462.5	490.3	495.5	498.9	506.6	516.8	531.1	68.6
Marrickville	155.3	170.4	175.3	179.6	186.6	193.8	202.2	46.9
Dulwich Hill	52.5	59.7	62.0	63.9	67.3	70.6	74.2	21.6
Hurlstone Park	24.0	25.6	27.5	29.7	32.1	34.9	38.4	14.4
Canterbury	86.1	88.8	92.6	97.6	103.3	109.9	118.3	32.2
Campsie	206.0	224.1	237.2	252.0	267.7	286.0	308.6	1,020.6
Belmore	158.7	171.8	175.5	181.2	187.8	195.8	205.8	47.1
Lakemba	143.5	156.0	160.4	166.4	172.9	181.0	191.5	48.0
Wiley Park	37.6	40.8	43.9	47.9	52.3	57.6	64.6	26.9
Punchbowl	78.9	85.7	91.7	99.2	107.1	116.1	127.4	48.5
Bankstown	335.1	353.3	372.9	394.4	417.4	443.6	475.5	140.5
Total	1,740.3	1,866.5	1,934.5	2,010.9	2,101.1	2,206.0	2,337.6	597.3
Net Additional Employment								
Sydenham		27.8	5.2	3.4	7.7	10.2	14.2	68.6
Marrickville		15.1	4.9	4.4	6.9	7.2	8.4	46.9
Dulwich Hill		7.2	2.3	1.9	3.4	3.3	3.6	21.6
Hurlstone Park		1.6	1.8	2.2	2.4	2.8	3.5	14.4
Canterbury		2.7	3.8	4.9	5.7	6.6	8.4	32.2
Campsie		18.1	13.2	14.8	15.7	18.2	22.6	1,020.6
Belmore		13.0	3.8	5.7	6.7	8.0	10.1	47.1
Lakemba		12.5	4.4	6.60	6.5	8.0	10.5	48.0
Wiley Park		3.1	3.	4.0	4.4	5.3	7.0	26.9
Punchbowl		6.8	6.0	7.6	7.8	9.0	11.3	48.5
Bankstown		18.2	19.6	21.5	23.0	26.2	31.9	140.5
Total		126.2	68.0	76.4	90.2	104.9	131.6	597.3

Source: BTS (2014), DPE (2016), AEC (2016)

*Note that projections are carried out according to travel zones (Tzs) and do not exactly align with precinct boundaries.

In **Table 5.1** employment floorspace demand is projected based on population growth expectations as well as historical growth that has occurred in the respective precincts.

By its nature, and inherent in a top-down approach is the absence of consideration for actual employment capacity, i.e. investment attraction and market appeal factors, that is, how desirable an area is to business interests and employers. The top-down approach is the first step in the process of employment land use planning as it forecasts total employment based on population growth assumptions and then distributes that employment.

Land use constraints like fragmented land ownership, valuable existing uses, etc. cumulatively affect the ability for the projected floorspace to be built and delivered, and eventually accommodate business activity. **Where there are market challenges, much of the employment demand projected can be theoretical.**

5.4.2 Planning (Theoretical) Capacity for Employment Floorspace

This section considers the theoretical capacity for employment floorspace along the Corridor in two scenarios - as it exists currently, and following the interventions envisaged by the Strategy. This analysis considers separately the planning capacity of “employment precincts” and “centres”, as earlier defined in section 1.2.

Existing Planning Capacity (before Rezoning)

Each station precinct has potential for employment floorspace development in various industrial and business land use zones. In order to understand the *current* theoretical capacity to accommodate employment floorspace in the Corridor, high level FSR assumptions are applied to each land use zone.

- **Employment Precincts (IN1, IN2, B5, B6, B7)**

Industrial buildings have limited capacity to respond to density and accordingly even though FSR controls may permit higher densities to 1:1, in reality industrial lots (particularly those in IN1 zones) may accommodate less floorspace.

The B5, B6 and B7 zones permit a range of mixed business activity and can potentially accommodate a higher density of building when commercial/office space is included. Despite the potential to accommodate higher densities than industrial zones, observations indicate that at present many of these zones along Canterbury Road incorporate relatively low FSRs.

For the purposes of estimating the *existing* floorspace capacity, an FSR of 0.75:1 is applied to the employment precincts.

- **Centres (B1, B2 and B4)**

The B1, B2 and B4 zones are typical business zones found in centres including those in the station precincts. In line with the finer grain of built form in centres and retail strips, these zones generally accommodate a higher density of building and have more capacity to accommodate employment floorspace (retail and commercial) over more than one level.

For the purposes of estimating the theoretical floorspace capacity, an FSR of 1:1 is applied as a proxy for existing employment floorspace capacity in centres.

Table 5.2 outlines the current theoretical capacity of each station precinct, specifically employment precincts based on the above FSR assumptions (0.75:1).

Table 5.2: Existing Planning Capacity in Employment Precincts (before Rezoning of Opportunity Sites)

Precinct	IN1	IN2	B5	B6	B7	Total
Site Area (ha)						
Sydenham	30.2	11.7	0.8	3.0	1.6	47.2
Marrickville	8.0	4.7	-	-	-	12.7
Dulwich Hill	-	0.5	-	-	-	0.5
Hurlstone Park	-	-	-	-	-	-
Canterbury	-	-	1.6	-	-	1.6
Campsie	-	-	3.5	2.6	-	6.1

Precinct	IN1	IN2	B5	B6	B7	Total
Belmore	-	6.8	3.9	1.0	-	11.7
Lakemba	-	8.9	5.6	-	-	14.5
Wiley Park	-	-	2.0	1.1	-	3.1
Punchbowl	-	0.7	1.8	0.1	-	2.6
Bankstown	-	-	-	-	-	-
Total	38.2	33.2	19.2	7.8	1.6	100.0
GFA Capacity ('000sqm)	0.75:1	0.75:1	0.75:1	0.75:1	0.75:1	
Sydenham	226.2	87.4	6.0	22.6	12.1	354.4
Marrickville	60.0	35.1	-	-	-	95.0
Dulwich Hill	-	3.5	-	-	-	3.5
Hurlstone Park	-	-	-	-	-	-
Canterbury	-	-	11.8	-	-	11.8
Campsie	-	-	26.4	19.4	-	45.8
Belmore	-	51.2	29.5	7.3	-	88.0
Lakemba	-	67.1	41.8	-	-	108.9
Wiley Park	-	-	14.7	8.3	-	22.9
Punchbowl	-	5.0	13.8	0.9	-	19.8
Bankstown	-	-	-	-	-	-
Total	286.2	249.4	144.1	58.4	12.1	750.2

Source: DPE, AEC

Table 5.3 outlines the current theoretical capacity of each station precinct to accommodate employment floorspace (specifically in centres in the B1, B2 and B4 zones) based on the above FSR assumptions (1:1).

Table 5.3: Existing Planning Capacity in Centres (before Rezoning of Opportunity Sites)

Precinct	B1	B2	B4	Total
Site Area (ha)				
Sydenham	1.2	0.6	-	1.8
Marrickville	0.6	10.4	-	10.9
Dulwich Hill	1.7	3.4	0.9	6.0
Hurlstone Park	-	4.7	-	4.7
Canterbury	-	6.0	-	6.0
Campsie	-	15.2	-	15.2
Belmore	-	11.3	-	11.3
Lakemba	-	12.1	-	12.1
Wiley Park	-	2.0	-	2.0
Punchbowl	0.2	8.3	-	8.5
Bankstown	0.1	-	51.9	52.0
Total	3.7	73.8	52.7	130.3
GFA Capacity ('000sqm)	1:1	1:1	1:1	
Sydenham	11.7	5.8	-	17.5
Marrickville	5.5	103.5	-	109.0
Dulwich Hill	17.3	34.1	8.6	60.0
Hurlstone Park	-	46.9	-	46.9
Canterbury	-	59.6	-	59.6
Campsie	-	151.8	-	151.8
Belmore	-	112.9	-	112.9
Lakemba	-	121.4	-	121.4
Wiley Park	-	19.5	-	19.5
Punchbowl	1.8	82.7	-	84.5
Bankstown	0.9	-	518.8	519.7
Total	37.3	738.2	527.4	1,302.8

Source: DPE, AEC

Proposed Planning Capacity (after Rezoning and New Shop Top Housing Blocks)

Completion of the Sydney Metro is expected to result in an intensification of land use not just around train stations but also in the broader station precincts as population growth and dwelling density becomes more intense.

The following considers the implications of:

- Rezoning of Opportunity Sites (reducing IN1 and IN2 lands).
- Inclusion of shop-top housing development blocks in specific station precincts which facilitate the development of new retail/commercial floorspace at ground level.

Intensification of employment use in B5, B6 and B7 zones in each station precinct from FSR 0.75:1 to FSR 1:1. This is consistent with a recognition that employment lands will accommodate a broad range of activities and as lands become scarce, it is reasonable to assume that their use will be intensified.

Table 5.4 outlines the future theoretical capacity of each station precinct, specifically employment precincts based on the above FSR assumptions (0.75:1 for IN1 and IN2 zones and FSR 1:1 for B5, B6, B7 zones).

Table 5.4: Existing Planning Capacity in Employment Precincts (after Rezoning of Opportunity Sites)

Precinct	IN1	IN2	B5	B6	B7	Total
Site Area (ha)						
Sydenham	29.3	9.7	-	3.0	1.6	43.6
Marrickville	-	-	-	-	-	-
Dulwich Hill	-	-	-	-	-	-
Hurlstone Park	-	-	-	-	-	-
Canterbury	-	-	1.6	-	-	1.6
Campsie	-	-	3.5	2.6	-	6.1
Belmore	-	6.8	3.9	1.0	-	11.7
Lakemba	-	8.9	5.6	-	-	14.5
Wiley Park	-	-	2.0	1.1	-	3.1
Punchbowl	-	0.7	1.8	0.1	-	2.6
Bankstown	-	-	-	-	-	-
Total	29.3	26.1	18.4	7.8	1.6	83.3
GFA Capacity ('000sqm)	0.75:1	0.75:1	1:1	1:1	1:1	
Sydenham	219.7	72.5	0.3	30.1	16.1	338.8
Marrickville	-	-	-	-	-	-
Dulwich Hill	-	-	-	-	-	-
Hurlstone Park	-	-	-	-	-	-
Canterbury	-	-	15.8	-	-	15.8
Campsie	-	-	35.2	25.8	-	61.1
Belmore	-	51.2	39.4	9.7	-	100.3
Lakemba	-	67.1	55.7	-	-	122.8
Wiley Park	-	-	19.6	11.0	-	30.6
Punchbowl	-	5.0	18.5	1.2	-	24.7
Bankstown	-	-	-	-	-	-
Total	219.7	195.9	184.4	77.9	16.1	694.1

Source: DPE, AEC

After a rezoning of Opportunity Sites and inclusion of shop-top housing potential in the Centres the result is a reduced floorspace capacity in industrial zones but larger site area and floorspace capacity for retail and commercial uses.

Table 5.5 outlines the future theoretical capacity of each station precinct to accommodate employment floorspace (specifically in centres in the B1, B2 and B4 zones).

Table 5.5: Existing Planning Capacity in Centres (after Rezoning of Opportunity Sites)

Precinct	B1	B2	B4	Total
Site Area (ha)				
Sydenham	1.2	1.3	-	2.5
Marrickville	0.6	10.4	-	11.0
Dulwich Hill	1.7	3.4	1.3	6.5
Hurlstone Park	-	4.7	-	4.7
Canterbury	-	7.9	-	7.9
Campsie	-	18.7	-	18.7
Belmore	-	14.2	-	14.2
Lakemba	-	12.8	-	12.8
Wiley Park	-	2.0	-	2.0
Punchbowl	0.2	9.2	-	9.4
Bankstown	0.1	-	51.9	52.0
Total	3.8	84.5	53.2	141.5
GFA Capacity ('000sqm)	1:1	1:1	1:1	
Sydenham	11.7	13.5	-	25.2
Marrickville	6.0	103.5	-	109.5
Dulwich Hill	17.3	34.1	13.3	64.8
Hurlstone Park	-	46.9	-	46.9
Canterbury	-	78.7	-	78.7
Campsie	-	186.6	-	186.6
Belmore	-	142.1	-	142.1
Lakemba	-	127.6	-	127.6
Wiley Park	-	19.5	-	19.5
Punchbowl	1.8	92.2	-	94.0
Bankstown	0.9	-	518.8	519.7
Total	37.8	844.7	532.1	1,414.5

Source: DPE, AEC

Difference in Floorspace Capacity

Following the implementation of the Strategy and proposed interventions, some station precincts will experience a decline in employment floorspace capacity while some precincts could accommodate a greater amount of employment floorspace. **Table 5.6** summarises the capacity estimates in the foregoing tables and calculates the difference in floorspace capacity across the Corridor.

Table 5.6: Difference in Floorspace Capacity in Precincts ('000sqm)

Precinct	Employment Precincts ('000sqm)						Centres ('000sqm)			
	IN1	IN2	B5	B6	B7	Total	B1	B2	B4	Total
Before	0.75:1	0.75:1	0.75:1	0.75:1	0.75:1		1:1	1:1	1:1	
Sydenham	226.2	87.4	6.0	22.6	12.1	354.4	11.7	5.8	-	17.5
Marrickville	60.0	35.1	-	-	-	95.0	5.5	103.5	-	109.0
Dulwich Hill	-	3.5	-	-	-	3.5	17.3	34.1	8.6	60.0
Hurlstone Park	-	-	-	-	-	-	-	46.9	-	46.9
Canterbury	-	-	11.8	-	-	11.8	-	59.6	-	59.6
Campsie	-	-	26.4	19.4	-	45.8	-	151.8	-	151.8
Belmore	-	51.2	29.5	7.3	-	88.0	-	112.9	-	112.9
Lakemba	-	67.1	41.8	-	-	108.9	-	121.4	-	121.4
Wiley Park	-	-	14.7	8.3	-	22.9	-	19.5	-	19.5
Punchbowl	-	5.0	13.8	0.9	-	19.8	1.8	82.7	-	84.5
Bankstown	-	-	-	-	-	-	0.9	-	518.8	519.7
Total	286.2	249.4	144.1	58.4	12.1	750.2	37.3	738.2	527.4	1,302.8

Precinct	Employment Precincts ('000sqm)						Centres ('000sqm)			
	IN1	IN2	B5	B6	B7	Total	B1	B2	B4	Total
After	0.75:1	0.75:1	1:1	1:1	1:1		1:1	1:1	1:1	
Sydenham	219.7	72.5	0.3	30.1	16.1	338.8	11.7	13.5	-	25.2
Marrickville	-	-	-	-	-	-	6.0	103.5	-	109.5
Dulwich Hill	-	-	-	-	-	-	17.3	34.1	13.3	64.8
Hurlstone Park	-	-	-	-	-	-	-	46.9	-	46.9
Canterbury	-	-	15.8	-	-	15.8	-	78.7	-	78.7
Campsie	-	-	35.2	25.8	-	61.1	-	186.6	-	186.6
Belmore	-	51.2	39.4	9.7	-	100.3	-	142.1	-	142.1
Lakemba	-	67.1	55.7	-	-	122.8	-	127.6	-	127.6
Wiley Park	-	-	19.6	11.0	-	30.6	-	19.5	-	19.5
Punchbowl	-	5.0	18.5	1.2	-	24.7	1.8	92.2	-	94.0
Bankstown	-	-	-	-	-	-	0.9	-	518.8	519.7
Total	219.7	195.9	184.4	77.9	16.1	694.1	37.8	844.7	532.1	1,414.5
Increase (Decline) in Floorspace Capacity										
Sydenham	(6.5)	(14.9)	(5.7)	7.5	4.0	(15.6)	-	7.7	-	7.7
Marrickville	(60.0)	(35.1)	-	-	-	(95.0)	0.5	-	-	0.5
Dulwich Hill	-	(3.5)	-	-	-	(3.5)	-	-	4.7	4.7
Hurlstone Park	-	-	-	-	-	-	-	-	-	-
Canterbury	-	-	3.9	-	-	3.9	-	19.1	-	19.1
Campsie	-	-	8.8	6.5	-	15.3	-	34.8	-	34.8
Belmore	-	-	9.8	2.4	-	12.3	-	29.2	-	29.2
Lakemba	-	-	13.9	-	-	13.9	-	6.2	-	6.2
Wiley Park	-	-	4.9	2.8	-	7.6	-	-	-	-
Punchbowl	-	-	4.6	0.3	-	4.9	-	9.4	-	9.4
Bankstown	-	-	-	-	-	-	-	-	-	-
Total	(66.5)	(53.5)	40.3	19.5	4.0	(56.2)	0.5	106.5	4.7	111.7

Source: AEC

The following observations are made:

- Overall floorspace capacity in the Employment Precincts declines by 56,200sqm, largely driven by the withdrawal of 15,600sqm in Sydenham and 95,000sqm in Marrickville. The decline in capacity from the withdrawal of industrial lands is mitigated by an assumed intensification of use in the mixed business zones (to FSR 1:1).
- Overall floorspace capacity in Centres increases by 111,700sqm, largely driven by additional capacity (inclusion of shop top housing) in the Middle precincts of Canterbury, Campsie and Belmore.

The next section considers the floorspace needed to meet projected demand against the above assessed floorspace capacity in employment precincts and centres.

5.4.3 Projected Demand v Future Theoretical Supply

This section examines the ability for specific types of floorspace (industrial, retail, commercial) to be accommodated in the precincts.

Projected Employment Floorspace Demand (Adjusted)

Projected floorspace demand by industry (as detailed in **Table 5.1**) is disaggregated into types of floorspace using land use and employee ratio assumptions in Appendix B. The projected floorspace is disaggregated into four types of floorspace:

- Industrial**

This type of floorspace could be accommodated in traditional industrial zones (IN1, IN2) or, or depending on location and configuration of land, potentially be accommodated in mixed business zones of B5, B6 and B7.

- **Retail**

This type of floorspace could be accommodated in Centres (B1, B2, B4) as well as along transport corridors in B5 and B6 zones. Large format retailers (or bulky goods operators) typically locate out of centres and within B5 or B6 zones or in some instances (where permitted and available) in industrial zones.

- **Commercial**

Like retail floorspace, commercial floorspace could be accommodated in Centres (B1, B2, B4) as well as in B5 and B6 zones. A small proportion could also be accommodated as ancillary floorspace in industrial buildings.

- **Institutional**

This refers to floorspace that is within establishments like hospitals, schools, museums, libraries. For the purposes of this analysis they have been excluded from the demand requirements as this type of floorspace is generally subject to different planning considerations.

- **Other**

This refers to primary industries (agriculture and mining), utilities, accommodation and other uses not appropriately captured in other categories (e.g. that may include private households employment staff, or mobile workers such as sub-contractors in the construction industry). For the purposes of this analysis this has also been excluded from the demand considerations.

“Institutional” and “other” floorspace is deducted from the floorspace projections, to result in adjusted floorspace demand projections in the Corridor. **Table 5.7** details adjusted employment floorspace projections, i.e. the uses likely to be accommodated within employment zones in centres and along corridors. Schools, hospitals, museums, libraries, hospitals, etc. are subject to different planning processes and accordingly are not considered in this analysis.

Table 5.7: Adjusted Employment Floorspace Projections ('000sqm), 2011-2041

Precinct	2011	2016	2021	2026	2031	2036	2041	Change (2011-2041)
Industrial Floorspace (IND)								
Sydenham	355.1	369.8	367.6	366.4	368.2	372.4	379.5	24.5
Marrickville	67.2	70.3	70.4	70.8	71.7	73.1	75.0	7.8
Dulwich Hill	15.7	16.5	17.0	17.5	18.3	19.2	20.2	4.5
Hurlstone Park	8.7	9.2	9.6	10.1	10.8	11.6	12.6	3.9
Canterbury	44.1	44.6	45.6	47.1	49.0	51.5	54.6	10.5
Campsie	61.8	65.5	66.8	69.1	71.8	75.5	80.4	18.6
Belmore	89.3	97.5	96.9	97.4	98.7	100.8	103.8	14.4
Lakemba	74.2	79.6	78.2	77.5	77.4	78.0	79.6	5.4
Wiley Park	11.6	12.2	12.6	13.3	14.3	15.5	17.2	5.6
Punchbowl	24.5	26.0	26.9	28.2	29.9	31.9	34.6	10.1
Bankstown	61.5	65.2	67.4	70.5	74.2	78.8	84.5	23.0
Total	813.5	856.4	858.9	868.1	884.4	908.2	942.0	128.5
Retail Floorspace (RET)								
Sydenham	31.6	37.2	41.6	43.0	45.0	47.0	49.3	17.7
Marrickville	20.6	22.9	24.5	25.2	26.5	27.9	29.3	8.7
Dulwich Hill	6.0	6.7	7.0	7.2	7.7	8.2	8.7	2.7
Hurlstone Park	6.6	7.3	8.0	8.7	9.4	10.2	11.2	4.6
Canterbury	8.3	9.0	9.8	10.6	11.4	12.3	13.6	5.3
Campsie	39.1	41.3	44.3	47.0	49.6	52.8	57.0	17.9
Belmore	23.4	24.3	25.8	27.3	28.8	30.5	32.6	9.1
Lakemba	11.3	12.2	13.4	14.5	15.4	16.6	18.3	7.0
Wiley Park	4.4	4.8	5.5	6.2	6.9	7.8	9.0	4.7
Punchbowl	7.2	7.8	8.8	9.8	10.7	11.8	13.5	6.3
Bankstown	91.4	96.5	103.8	110.1	116.2	123.4	132.2	40.8
Total	249.9	270.0	292.5	309.4	327.7	348.5	374.6	124.7

Precinct	2011	2016	2021	2026	2031	2036	2041	Change (2011-2041)
Commercial Floorspace (COM)								
Sydenham	19.6	22.7	24.3	25.3	26.5	27.7	29.2	9.6
Marrickville	21.3	23.1	24.1	25.2	26.5	28.0	29.7	8.3
Dulwich Hill	6.1	6.4	6.6	6.9	7.2	7.6	8.0	1.9
Hurlstone Park	2.4	2.7	2.7	2.8	2.9	3.1	3.3	0.9
Canterbury	3.9	4.1	4.2	4.3	4.6	4.8	5.2	1.2
Campsie	22.0	23.4	24.3	25.5	26.9	28.4	30.3	8.3
Belmore	5.3	5.7	5.9	6.1	6.5	7.0	7.5	2.1
Lakemba	7.2	7.7	7.9	8.3	8.8	9.3	9.9	2.7
Wiley Park	1.2	1.4	1.5	1.7	1.9	2.1	2.4	1.2
Punchbowl	3.9	4.1	4.3	4.6	5.0	5.4	5.9	2.1
Bankstown	67.2	68.4	69.5	71.5	74.2	77.2	80.8	13.7
Total	160.2	169.5	175.2	182.3	191.0	200.6	212.1	51.9

*Note that projections are carried out according to travel zones (TZs) and do not exactly align with precinct boundaries. Source: BTS (2014), DPE (2016), AEC (2016)

Future Theoretical Supply

The capacity of employment lands along the Corridor is examined to assess the extent to which projected floorspace demand can be met over the projection period.

Recognising that each site is unique with a different set of characteristics and challenges, in considering an aggregated position, the estimate of employment numbers is underpinned by the presumption that land will be put to its highest and best use.

Table 5.8 compares projected employment floorspace demand (to 2041) against the theoretical capacity of the precincts should the Opportunity Sites be redeveloped from their industrial uses (following their rezoning), mixed business zones along corridors will intensify in their use and new retail/commercial floorspace opportunities in and around stations will be taken up.

Table 5.8: Projected Demand (to 2041) v Future Theoretical Supply ('000sqm)

Precinct	IND*	Employment Precincts ('000sqm)						RET/ COM*	Centres ('000sqm)			
		IN1	IN2	B5	B6	B7	Total		B1	B2	B4	Total
Sydenham	379.5	219.7	72.5	0.3	30.1	16.1	338.8	78.4	11.7	13.5	-	25.2
Marrickville	75.0	-	-	-	-	-	-	59.0	6.0	103.5	-	109.5
Dulwich Hill	20.2	-	-	-	-	-	-	16.8	17.3	34.1	13.3	64.8
Hurlstone Park	12.6	-	-	-	-	-	-	14.5	-	46.9	-	46.9
Canterbury	54.6	-	-	15.8	-	-	15.8	18.8	-	78.7	-	78.7
Campsie	80.4	-	-	35.2	25.8	-	61.1	87.3	-	186.6	-	186.6
Belmore	103.8	-	51.2	39.4	9.7	-	100.3	40.0	-	142.1	-	142.1
Lakemba	79.6	-	67.1	55.7	-	-	122.8	28.1	-	127.6	-	127.6
Wiley Park	17.2	-	-	19.6	11.0	-	30.6	11.5	-	19.5	-	19.5
Punchbowl	34.6	-	5.0	18.5	1.2	-	24.7	19.4	1.8	92.2	-	94.0
Bankstown	84.5	-	-	-	-	-	-	213.0	0.9	-	518.8	519.7
Total	942.0	219.7	195.9	184.4	77.9	16.1	694.1	586.7	37.8	844.7	532.1	1,414.5

*Industrial (IND) and Retail/Commercial (RET/COM) projected floorspace demand to 2041

Source: AEC

The following observations emerge from **Table 5.8**:

- There is a capacity shortfall for industrial floorspace in most precincts (except Lakemba and Wiley Park). On an overall basis, the analysis suggests that by 2041 there will be an unmet demand for approximately 247,900sqm of industrial GFA in the Corridor. This is consistent with our market investigations as outlined earlier, that a shortage of industrial floorspace is causing rents and prices to rise and some occupiers pushed outward to seek accommodation in Western Sydney.

- There is sufficient capacity for retail and commercial precincts in most precincts (except Sydenham). On an overall basis, the analysis suggests that by 2041 there will be excess capacity for employment floorspace for approximately 827,800sqm of retail/commercial GFA in the Corridor. Acknowledging that not all development opportunities will be taken up (owing to lot and ownership fragmentation, etc.), the analysis indicates from a planning perspective there is sufficient zoned land.

We re-iterate our observations that demand for floorspace is mobile and does not operate in a vacuum. Where demand is unable to be satisfied in a particular location, demand will seek out opportunities in alternate locations until it is satisfied. The comparison of projected demand against theoretical supply is useful for understanding an 'overall' position of supply versus demand.

The employment analysis suggests that should *all* businesses in the Opportunity Sites be displaced, not all businesses will likely find alternate premises along the Corridor as competition for industrial space is already tight. Projections modelling and analysis of supply affirms our market observations and findings.

Those businesses that can be accommodated in business zones have better prospects of finding alternate accommodation along the Corridor. For those businesses and uses that can only suitably be located in an industrial zone, if they are able to afford rising price/rental levels they could conceivably find accommodation in the Inner and Middle station precincts, potentially displacing other businesses in those precincts.

5.5 RECOMMENDATIONS

DPE could work with councils to facilitate the intensification of remaining employment precincts, so as to accommodate diverse business activity and more intensive uses.

Industrial Zones

The intensification of employment precincts (industrial zones) is already occurring with planning reform in some areas to ensure land use zones evolve with the needs of industry and business. Parts of the Green Square Southern Employment Lands were rezoned in 2014 from industrial (IN1 and IN2) to business (B6 and B7), a recognition by the City of Sydney of the emergence of new forms of business and enterprise that require flexible environment to locate and grow to their customers at the airport and inner city. New planning controls allow for the transition of employment lands from areas of traditional industrial uses and low density employment to places of more diverse business activity and intensive employment opportunities.

An intensification of use is already witnessed in the Marrickville precinct, albeit on a much smaller scale compared to that which is occurring in the Green Square Southern Employment Lands. The recently completed Enterprise Industrial Estate at 80 Edinburgh Road in Marrickville is a development of new industrial strata units on a mostly vacant site. Market response to the individual strata units is understood to be excellent with sale prices in excess of \$5,000/sqm of building area achieved. The layout and configuration of the development facilitates a much more intensive use of the land than if improved with a traditional industrial building.

The ability for a mix of businesses to occupy land in industrial zones also contributes to an intensification of land use.

Business Zones

There is a significant amount of B5 and B6 zoned land along Canterbury Road in Canterbury, Campsie, Belmore, Lakemba, Wiley Park and Punchbowl (more than 20ha). These lands along with industrial zones in Sydenham and Marrickville have the potential for intensification of use and could contribute to accommodating some of the businesses from the Opportunity Sites.

The zone objectives of the B5 and B6 zones are relevant in considering if these lands are well placed to respond to more intensive uses. The B5 zone accommodates larger format uses and is less compatible with small floorplate uses. The B6 zone in particular is intended to support business uses along main roads and could be considered where there is opportunity to accommodate more businesses.

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APPENDIX A: PROPERTY MARKET ANALYSIS

SYDENHAM

Employment land within Sydenham is located south of the Bankstown rail line. Business and industrial properties are limited given the physical constraints of suburb itself and dominance of residential and recreational uses.

Small industrial precincts are located on the outer edges of the suburb, with IN1 zoned land along Hogan Avenue and Bolton Street to the north-east as well as IN2 zoned land along Princes Highway adjacent the suburbs southern boundary. Business land (B1 zone) for retail and commercial uses is concentrated along Gleeson Avenue and Unwin Bridges Road within the centre, sporadically clustered amongst residential dwellings. B6 zoned land for bulky goods and showroom type-users is also found along Princes Highway to the south.

B1 Neighbourhood Centre

The B1 retail and commercial floorspace is predominantly small, older, 'high-street' styled ground floor retail with upper floor space which can be used for either residential or commercial uses. The small number of users observed within the precinct include micro-fashion outlets, food retailers and some specialty retailers while commercial occupiers are virtually non-existent. The centre is dominated by older residential houses, particularly along Gleeson Avenue and Park Road.

The retail and commercial markets within Sydenham remain subdued, with few quality spaces available for sale or lease. Discussions with local letting agents indicate interest from small business, predominantly from food retailers and small boutique operators, has increased over the past 12 months however given the limited amount of good-quality stock available, these businesses have tended to locate to neighbouring Marrickville. Retailers are typically seeking medium term leases, approximately 3-5 years to give themselves certainty, hedging against risk of the space being converted/ redeveloped into residential dwellings.

Ground floor retail space at 11 Gleeson Avenue (33sqm) in close proximity to the train station was recently leased for 12 months at \$615/sqm to a small fashion goods store. The space was recently refurbished and is indicative of the demand from small local businesses for well-positioned, modern space within Sydenham.

B6 Enterprise Corridor

No sales or leasing activity within the B6 zone along Princes Highway has occurred over the past 12 months, with the spaces tightly held by the current occupiers. A variety of users are observed within this strip, notably bulky goods stores, warehouses, auto mechanics and fitness studios.

IN1 General Industrial and IN2 Light Industrial

Demand for industrial space is significant with a limited amount of stock available for sale or lease. As the traditional South Sydney industrial areas are increasingly redeveloped and converted to alternative uses, a spike in demand has been witnessed as more businesses search for space. Discussions with industrial letting agents note the auto mechanic, food processing and construction industries are particularly active in the leasing market, with many now looking further afield into the already tight Botany, St Peters and Arncliffe markets.

Industrial spaces ranging from 150sqm to 200sqm are receiving the most interest, although high clearance space is now as readily sought by occupiers as witnessed in other industrial markets nearby. Common lease terms sought are 5 years, with new occupiers seeking lengthy tenures given the current nature of the market.

Upper floor warehouse space at 3 Hogan Avenue is currently for lease at \$278/sqm (180sqm) and has been on the market for 2 months. The space is located above an auto mechanic which has limited the marketability of the site, although the asking rent reflects the high expectations both landlords and agents currently hold with regard to the local industrial market.

Investors in industrial sites have not proven particularly active over the past 12 months given the lack of available stock. Letting agents advise climbing capital values have begun to push industrial yields lower, from 7.5%-8% to 5%.

MARRICKVILLE

Employment land within Marrickville is highly dispersed and is mostly concentrated north of the Bankstown rail line along the funnel ways of Illawarra Road and Marrickville Road. Given the large size of the suburb and location of certain employment zonings, pockets of business land are generally better received by the market as opposed to the other more isolated precincts.

A large, mostly IN1 industrial precinct is located along the eastern side of the suburb and straddles the Sydenham-Marrickville border from north to south. This precinct encompasses multiple small streets, with the major arterial roads being Sydenham Road, Edinburgh Road and part of Marrickville Road. Small components of B1 land are located in the northern region of the suburb, mostly along Addison Road. The predominant business zoning within the area is the B2 zoning which traverses the Bankstown rail line along Illawarra Road and runs east to west along parts of Marrickville Road. Small pockets of B4, B5 and B7 land are also observed in the north and east of the suburb adjoining the larger industrial and business precincts.

B1 Neighbourhood Centre

West of neighbouring residential and industrial land, retail space along Addison Road is generally perceived of inferior quality given the isolated location and poor condition of the spaces and comparatively lower number of pedestrians to that observed along Marrickville Road. Occupiers observed along this small corridor include newsagents, small goods stores and some specialty retailers. Informal discussions with local letting agents advise no recent leasing deals have been done in this precinct, however the rents achieved are much lower compared to B2 areas along Marrickville Road given the limited retail market.

B2 Local Centre

The B2 zoned land along Illawarra Road and Marrickville Road operates as a two-tier market; demand for retail and small office space along Marrickville Road is extremely strong given strong foot traffic owing to a large local catchment spurred on by recent high-density residential development along the strip. Illawarra Road, particularly south of the Bankstown rail line, has not benefitted from any immediately surrounding high-rise residential development. The Marrickville Woolworths at 463 Illawarra Road is the dominant retailer along the southern strip of Illawarra Road.

The B2 retail and commercial floorspace is predominantly small, older, 'high-street' styled ground floor retail with upper floor space which can be used for either residential or commercial uses, although some more modern buildings are observed along parts of Illawarra Road and Marrickville Road.

Discussions with local selling agents note that demand for retail space is significant, particularly along the Marrickville Road corridor. Demand is being driven predominantly from food retailers and boutique operators given the emergence of the café/food culture along Marrickville Road. Landlords are generally demanding short-term leases with the inclusion of demolition clauses, with many land owners planning for future redevelopment. This is a point of contention with most businesses who are tending to seek longer term leases.

Retail space similar in size available for lease at 415-421 Illawarra Road (south of rail line) and 207 Marrickville Road (north of rail line) highlight the rental differentials for the two precincts, with rates in the order of \$660/sqm and \$1,000/sqm currently being sought respectively. Poorer quality retail space is also available along the southern end of Illawarra Road, with net rates sought between \$270/sqm and \$350/sqm.

Demand for commercial space within the B2 precincts is relatively steady albeit less keenly sought after compared to retail space. Limited stock is currently available and little leasing or sales activity has been observed over the past 12 months. A 198sqm office suite at 121 Marrickville Road is currently available for lease at \$300/sqm net. Despite strong interest, the landlord has held out waiting for a particular type of business which highlights the current 'landlords market'.

Interest from investors is strong as the market continues to look for opportunities to add value to sites via residential redevelopment. A 163 sqm site comprising three ground floor retail spaces and shop-top housing was recently sold to an investor for \$1.29m (\$7,914/sqm) in August 2016, with the selling agent advising that the site is pending development approval for an additional storey of residential units.

IN1 General Industrial and IN2 Light Industrial

The industrial market in Marrickville is prominent. Demand for industrial space has been spurred due to several factors:

- Ongoing residential conversions in South Sydney forcing industrial users to relocate.
- Increase in small boutique construction and interior design firms (carpentry, cabinetry, upholsterers, commercial kitchens) capitalising on the residential construction boom and strong retail market.
- Emergence of non-traditional industries (wholesalers, exporters, commercial food traders) seeking space in close proximity to Sydney CBD and ports.

Market preference for industrial space is between 250sqm to 350sqm and tenants are overwhelmingly seeking medium term leases (3-5yrs). High-clearance sites are most popular, with many wholesalers seeking warehouses with stacking frames and/or racks as well as sites that are shipping container-friendly. Larger industrial space experience greater marketing periods (e.g. 1,000sqm at 22-26 Myrtle Street), although letting agents are confident that sheer volume of demand will begin to see these spaces absorbed by the market.

Supply of industrial space within Marrickville is tight, with limited modern industrial space coming onto market over the past 12 months. The Enterprise Industrial Estate at 80 Edinburgh Road comprising 15 mid-size strata warehouses was completed in 2013 and has proved extremely attractive to a variety of industrial users, with two recent sales (21 September 2016) within the complex achieving sales rates of between \$5,000/sqm and \$5,100/sqm and a net yield of 5%.

Given the lack of new supply and influx of demand, rents have begun to move upwards with local letting agents noting that several businesses have been forced further west to the more affordable precincts of Bankstown and Campsie. Incentives currently offered are minimal given the level of competition, often no more than one month rent-free.

B5 Business Development and B6 Enterprise Corridor

B5 and B6 land is located sparingly throughout the north and eastern areas of Marrickville and adjoins industrial precincts. A range of business types are observed within these precincts, ranging from bulky goods stores and distribution warehouses to fitness studios and gyms. The Marrickville Metro Shopping Centre along Victoria Road adjacent the industrial precinct is anchored by Woolworths, Aldi and K-Mart and includes an additional 50 (approximate) specialty retail stores.

Occupancy levels are generally high with low levels of tenant turnover observed.

DULWICH HILL

Employment land within Dulwich Hill is limited; residential uses dominates the landscape. Business and industrial land tends to cluster along the arterial linkages of New Canterbury Road to the west towards Hurstville Park as well along Marrickville Road which serves as the precinct's town centre.

B2 zoned land along New Canterbury Road is predominantly older 'high-street', double storey retail and commercial space in poor condition. Retailers observed are mainly food retailers, specialty stores and massage parlours. A greater amount of B2 zoned land is along Marrickville Road. While also aged, 'high street' style space, the exterior of the buildings is in better condition than that seen west along New Canterbury Road. A variety of retailers occupy space within this precinct, predominantly food retailers, grocery stores, specialty retailers and furniture stores. Functioning as the suburb's town centre, the strip is heavily pedestrianised given the proximity to two light rail stations.

A small cluster of industrial land is located to the east of Dulwich Grove light rail station along Hercules Street, backing on to New Canterbury Road. A mix of occupiers is observed, including ceramics warehouse, auto mechanics, food processors and clothing makers.

B2 Local Centre

Demand for commercial and retail floorspace along the Marrickville Road and New Canterbury Road crossroads is strong; with limited available stock available for lease or sale. Local letting agents advise demand is observed from a variety of businesses including food retailers, medical operators, small financial professionals and health and fitness studios.

Retail space within this precinct is tightly held with few leasing deals occurring over the past 12 months. 459 New Canterbury Road on the corner of Marrickville Road was recently re-let to a local real estate agency at \$800/sqm net. A 36sqm ground floor space has recently become available at 419 New Canterbury Road for \$433/sqm net. Given this space is on the fringes of the suburb and in relatively poor condition it highlights the current strength of the local retail market and general lack of supply.

No recent commercial leases have been observed over the past 12 months, with the majority of stock available of poor quality and location. Quality office suites are in short supply and are usually absorbed by the market swiftly. The recent sale of 52sqm of office space at 420 Canterbury Road for \$11,154/sqm to an investor highlights the strength of rents within the area, with a net yield of 8% (sold as a going concern with lease to a local accountant at \$45,760 pa).

IN2 Light Industrial

No recent industrial sales or leasing activity has occurred over the past 12 months; with current supply held tightly by the existing occupiers. Informal discussions with letting agents advise current rents are circa \$150/sqm-\$200/sqm of lettable area.

HURLSTONE PARK

Employment land within Hurlstone Park is limited; tending to cluster around Crinan Street adjacent the Hurlstone Park train station and along Canterbury Road near the northern boundary of the suburb. A shortage of stock is observed across retail, commercial and industrial markets, with strongest demand seen from industrial users.

B2 Local Centre

Demand for retail and commercial floorspace is subdued; little to no leasing or sales activity has been witnessed over the past 12 months. A large proportion of ground floor commercial and retail spaces along the Crinan Street strip are owned and occupied by local residents who utilise the ground floor space for storage while living upstairs; with these spaces aesthetically poor.

Supply of retail or small commercial space is virtually non-existent; no space has become available over the past 12 months. Retail operators along the strip are few, notably a minimarket, bottle shop, real estate agency and newsagency among other small specialty retailers. Local letting agents comment that a lack of available stock is the primary driver of the poor performance of commercial and retail market, compounded by the poor condition of the buildings themselves and speculation about relocation of the Hurlstone Park train station.

The vitality of the Hurlstone Park retail and commercial market is poor, owing to the lack of available supply and poor aesthetic presentation of existing retail stock. Should refurbishment of existing spaces or new development occur, our investigations indicate an uplift in activity is likely, e.g. revitalisation of Canterbury Town Centre.

Industrial-type space along Canterbury Road tends to be large format bulky goods/warehouses with a variety of furniture and white goods stores and small food retailers catering to the local worker population. While space is aged and typically of sub-par quality, the industrial market overall remains tight, with minimal space available.

An aged 330sqm industrial warehouse at 352 Canterbury Road is currently on the market for lease at \$141/sqm, with local letting agents noting that despite the poor quality of the building it is likely to be leased over the coming weeks given the number of enquiries received thus far. Demand is being seen from auto mechanic users, exporters and some construction type users. Local letting agents indicate nearby precincts of Marrickville and Canterbury are generally preferred by industrial tenants owing to the poor quality of space within Hurlstone Park, however the current shortage of industrial space across South Sydney has produced strong conditions with little to no vacancies over the past 6 months.

CANTERBURY

Employment lands within Canterbury stretches east to west along Canterbury Road, predominantly clustering around the Canterbury train station. The retail, commercial and industrial markets are tight; strong competition and limited supply is driving down commercial and retail vacancy rates while the industrial market has seen no leasing or sales activity over the past 12 months.

B2 Local Centre

Demand for retail and commercial space within Canterbury is strong given the revitalisation of the Canterbury Town Centre and Riverfront precinct along Cooks River. Residential conversions have risen over the past 12 months, particularly along the B2 zoned section of Charles Street. Office and retail has been included in many of these developments and has been readily absorbed by the market.

Retail and commercial leasing activity has increased over the past 12 months as smaller operators vie for space in close proximity to new residential developments to capitalise on the increase in foot traffic generated. Tenants are generally seeking office suites approximately 100sqm or smaller owing to the small size of the businesses.

Furthermore, informal discussions with local letting agents indicate tenants in older buildings are seeking long term leases (>5 years) due to the risk of residential conversion, proving to be a point of contention in lease negotiations with existing landlords.

The mixed use development at 211 Canterbury Road highlights the market's appetite for modern retail space, with 10 ground floor shops ranging from 38sqm to 500sqm selling off-the-plan in early 2016 after a 3-month marketing campaign. The marketing agent indicated sales rates varied from \$6,000/sqm to \$6,500/sqm. In comparison, older, 'high street' style retail spaces currently for sale along Canterbury Road are indicative of rates between \$5,000/sqm to \$5,500/sqm.

Recent commercial leases of older office suites in central Canterbury are in the order of \$250/sqm to \$350/sqm net. Anecdotal evidence from the letting agent indicates these spaces were strongly received, leasing after three weeks on the market. Incentives are minimal owing to the strength of the market, often no more than one month rent-free.

B5 Business Development

Industrial space in Canterbury is confined west along Canterbury Road. The industrial market is highly competitive, with demand flowing from the shortage of available space in the traditional industrial hubs of South Sydney. Demand is being observed from typical industrial users; auto mechanic, construction and showroom type occupiers.

Industrial buildings between 200sqm and 300sqm are highly sought after, with larger sites typically experiencing slightly longer periods on market. Industrial spaces are readily received by the market, with standard spaces usually leased after 1-2 months marketing. Vacancy rates are tight, and given the strength of the market incentives are minimal, no more than 5% in most cases.

No recent leasing or sales activity in industrial space has been observed over the past 12 months, with existing stock tightly held by occupiers.

Informal discussions with local letting agents indicate businesses unable to find industrial space in Canterbury typically look for options in the tight markets of Padstow and Revesby. It is commonly perceived that a large proportion of industrial users are being driven west to find accommodation given the lack of supply within the South Sydney area.

CAMPSIE

Employment land within Campsie is seen along the suburbs arterial roads, with B2 land traversing the Bankstown rail line north to south along Beamish Street, while B5 and B6 land is seen south along Canterbury Road. The performance of the retail, commercial and industrial markets within Campsie has been mixed over the past 12 months, with retail and in particular industrial space going well while the commercial market has been sluggish.

B2 Local Centre

The commercial and retail market within Campsie is focused around the Campsie train station. High street, shop-top retail and commercial space stretches along Beamish and is generally of a dated and poor quality attracting only small businesses or sole operators. The Campsie Shopping Centre in contrast contains 50 retail stores and is anchored by several large supermarket and discount store chains.

The retail market in Campsie has performed strongly over the past 12 months with strong interest observed from recent sale and leasing deals. Demand for retail space is seen from a variety of traditional retailers, with food retailers particularly active. Strong interest from Chinese and Korean restaurant and smallgoods operators is observed owing to the large populations of both ethnicities in the area.

Recent leasing deals along Beamish Street highlight the strong demand for retail space within the precinct, with rates between \$400/sqm and \$650/sqm being achieved after little time on the market (1-2 months).

Analysis of recent retail sales further demonstrates the healthy market conditions, with the sales of shop spaces on 13-15 Anglo Road in early 2016 indicative of sales rates of \$10,500/sqm-\$12,000/sqm. Anecdotal evidence from the sales agent indicates buyers were a mix of both investors and local businesses, with the spaces purchased by investors currently for lease with the asking rentals indicating potential net yields of 5%.

In contrast, the commercial office market is sluggish with local letting agents advising that space along the fringes of Beamish Street tends to experience lengthy vacancy periods, up to 12 months in some instances. Little demand is witnessed from commercial-type users owing to the poor and limited quality of commercial stock within the area. A number of commercial spaces along Beamish Street are currently available for sale and lease which are failing to attract a strong response from the market, with asking rates of between \$200/sqm and \$350/sqm.

Recently refurbished top-floor office space at 208a Beamish Street is currently on the market for \$600/sqm-\$700/sqm and has received strong interest thus far, with the other suites within the building leasing for similar rates in mid-2016. This suggests demand is being stifled by the lack of quality stock as opposed to a lack of business interest.

B5 Business Development and B6 Enterprise Corridor

The industrial property market within Campsie is tightly held in line with much of South Sydney. Demand is generally observed from auto mechanic type businesses in addition to bulky goods stores while gym and fitness operators have also begun to exhibit strong interest over the past 12 months.

Industrial vacancy rates are low; industrial space with good access is typically leased after 1 to 2 weeks on the market. Incentives are minimal; many recent leasing deals had no rent-free period or other form of incentive. Leasing agents note that South Strathfield and Ashfield are typically capturing the unmet demand from businesses who cannot find space within Campsie.

High-clearance industrial warehouses ranging from 100sqm to 350sqm prove most attractive and office suites (no more than 40sqm) are often highly sought after. Common terms sought by prospective tenants are 3-4 years, with recent leasing deals indicating rates of \$150/sqm to \$200/sqm.

Investor interest in the industrial market remains steady, particularly from self-managed super funds. Local sales agents indicate new industrial space would be particularly well received if brought onto market, with the off-the-plan industrial unit sales at 11 Davies Road, Padstow testament to the market's appetite for new industrial space (25 industrial strata units released for sale in late 2015 and sold by mid-2016).

BELMORE

Similar to neighbouring Campsie, employment lands within Belmore are clustered around the Bankstown rail line and along Canterbury Road to the south. A small pocket of industrial land is also situated along Lakemba Street in the northern section of the suburb. The retail and industrial markets have been tight over the past 12 months, with little stock available for lease or sale. Commercial activity is subdued with little demand witnessed in recent times.

B2 Local Centre

Retail and commercial space within Belmore is clustered around the Belmore train station, and primarily runs along Burwood Road with most retail concentrated along the southern end. Traditional high-street, shop top retail spaces and office suites are the dominant type of existing stock, with a variety of traditional retailers and assorted small businesses observed.

Very little retail leasing or sales activity has occurred over the past 12 months with the exception of 335-337 Burwood Road which sold for \$4.75m in May 2016, representing a sales rate of \$9,406/sqm of lettable area. The site was sold to a local developer who intended on redeveloping the site to include a residential component above the ground floor retail space.

Demand for commercial space within Belmore is subdued, owing to the lack of modern office stock within the area. Supply is limited with office suites in less visible locations tending to experience lengthy vacancy periods. For example, 4 Kent Street has been on market for 3 months despite a modest asking net rent of \$129/sqm.

IN2 Light Industrial, B5 Business Development and B6 Enterprise Corridor

Industrial space in Belmore is located in the northern end of the suburb along Benaroon and Lakemba Road, with traditional auto mechanic and construction/factory type operators tending to cluster within this precinct. Bulky goods warehouses and other large format spaces are seen along Canterbury Road along the precinct's southern border.

Similar to surrounding suburbs, the industrial market in Belmore is exceptionally strong. Interest from auto mechanic and construction industries is particularly strong, with many construction type users attempting to remain in close proximity to the South Sydney area. Informal discussions with local industrial agents indicate most industrial space is leased or sold within 1-2 months upon going to market given the areas relative affordability compared to nearby Kingsgrove and Revesby.

High-clearance industrial warehouses ranging from 100sqm to 350sqm prove most attractive amongst most businesses and common lease terms being sought are 3 years or longer. Recent leasing deals are indicative of the strength of the market, with rates being achieved ranging from \$180/sqm to \$230/sqm. Letting agents note industrial rents have jumped approximately 20% over the past 12 months, with limited incentives currently being provided.

LAKEMBA

Employment land within Lakemba is observed north and south of the Bankstown rail line, with B2 land predominantly located south along Haldon Street and The Boulevarde, while some B2 and B5 land is south along Canterbury Road. A sizeable industrial precinct is located along the suburbs northern border, mostly along Benaroon and Yerrick Road. The retail, commercial and industrial markets have been extremely tight over the last 12 months, with limited recent leasing or sales activity observed. Market analysis shows that demand for space within Lakemba is strong with strong rental and sales rates observed from the limited market evidence available.

B2 Local Centre

Retail and commercial space within Lakemba is clustered around the Lakemba train station, and primarily runs along The Boulevarde and Haldon Street, with most retail concentrated along the southern end of Haldon Street. Traditional high-street, shop-top retail spaces and small office suites are the dominant form of stock observed, with a vibrant mix of traditional retailers and assorted small businesses seen.

A large proportion of Middle Eastern food retailers and grocery stores are prevalent given the large local Arabic and sub-Saharan population. Traditional commercial users occupy the small shop top office suites within the precinct, with a range of financial professionals and medical practitioners observed.

Retail and commercial leasing activity in Lakemba has been extremely limited over the past 12 months given the lack of available space and retention of stock from existing occupiers. Sales activity is observed to be more pronounced, with the recent sale of the former Lakemba Cellars at 109 Haldon Street for \$2.35m (\$7,730/sqm site area) highlighting the strength of the market; informal discussions with the local letting agent indicate the space

was recently leased off-market to a local food retailer for \$130,000 per annum (\$700/sqm), representing a net yield of 5.5%.

A double storey building at 197-199 Lakemba Street is currently on the market for \$3m with a quoting net yield of 2.3%. The local selling agent notes the land owners price expectations are quite high, as the property has received strong interest however offers have yet to reach the asking price.

IN2 Light Industrial, B5 Business Development and B6 Enterprise Corridor

Industrial space within Lakemba is situated in the northern end of the suburb along Punchbowl and Yerrick Road, with traditional warehouse and factory type space common within this precinct. Warehouse and showroom space is also located along Canterbury Road along the southern boundary of the suburb, with bulky goods showrooms and large format stores dominating this strip.

Similar to neighbouring suburbs, the industrial market in Lakemba has performed well over the past 12 months. Strong demand for industrial space has been seen from the auto mechanic and construction industries, while exporters and wholesalers have also become increasingly active. Local letting agents note many businesses are seeking storage space to export goods to south-east Asia and China.

Industrial vacancy rates are low and limited leasing activity has been observed over the past 6 months. An 800sqm warehouse at 857-879 Canterbury Road was recently leased to a tile flooring company for \$225/sqm, highlighting the current strength of the market. The recent sale of 504 Punchbowl Road for \$1.85m (\$1,723/sqm) was sold to a local investor seeking a rent of \$130,000 per annum, representing a net yield of 7%.

Local sales agents have observed an increase in interest from developers for industrial sites as investors vie for potential redevelopment opportunities. As a result, longer leases are typically being sought by prospective tenants located close to potential residential conversion sites.

WILEY PARK

Little employment land is located in Wiley Park, owing to the suburb's small land area and predominance of residential land. A small component of B2 land is located on the northern side of Wiley Park train station. There is no industrial zoned land within Wiley Park, with the closest industrial space located to the south in Roselands along Canterbury Road. The small retail and commercial market is subdued; no retail or commercial space has transacted over the past 12 months.

B2 Local Centre

Retail space within Wiley Park is very limited; clustering along King Georges Road adjacent Wiley Park train station. Retail space is of a poor quality; with some shop top style space along with other flat building retail. The variety of businesses is constrained with newsagents, small-discount retailers and food retailers the predominant occupiers within the precinct. Little commercial space is existent albeit a number of small office suites above ground floor retail which are occupied by small financial professionals.

No recent retail or commercial leasing or sales activity has been observed in Wiley Park over the past 12 months. Local sales agents indicate little to no interest has been observed from the market given the lack of available stock, with most businesses preferring to locate in nearby Punchbowl or Bankstown.

PUNCHBOWL

Three distinct employment precincts exist within Punchbowl; B2 land surrounding the Punchbowl train station, B5 and B6 land along Canterbury Road and a large IN1 and IN2 precinct on the southern end of the suburb bordered by the M5 motorway. The retail, commercial and industrial markets have performed well over the past 12 months, with steady demand, limited new stock and strong retention of existing space driving vacancies down with competition for good quality space strong.

B2 Local Centre

Retail and commercial space within Punchbowl encompasses a wide swathe of land to the north and south of Punchbowl train station, predominantly along the arterial links of Punchbowl Road and The Boulevarde. Older style, high-street retail and office space is concentrated on Punchbowl Road to the south of the train line, with a variety of traditional retailers observed. Stock within this precinct is generally dated and in poor condition.

North of the train station, retail space is similar in nature with a variety of food retailers, specialty stores and a gym. Retail space east along The Boulevarde is also similar in nature with a high number of food retailers, specialty stores and medical operators.

Limited retail leasing activity has been sighted over the past 12 months, with supply tightly held by existing occupants. Ground floor retail space at 739-741 Punchbowl Road adjacent an entry point to Punchbowl train station is currently available for lease with an asking net rent of \$88,400 per annum (\$491/sqm). Informal discussions with the letting agent suggests this represents a slight premium given the proximity of the space to the train station.

The Broadway Plaza at 1 Broadway Plaza was recently developed in 2013 as part of a residential mixed-use development and contains a ground floor residential shopping centre. The centre is anchored by Woolworths and is occupied by 30 specialty retailers. Recent leasing activity indicates asking rents are in the order of \$580/sqm-\$620/sqm, representing a sizeable premium over high-street spaces along Punchbowl Road and The Boulevarde.

Commercial space is tightly held in Punchbowl, with limited leasing activity observed over the past 12 months. Some sales activity has occurred in 2016, with sales rates for top-shop commercial/retail buildings along Punchbowl Road and The Boulevarde approximately \$11,000/sqm. Discussions with the sales agents indicate office space in Punchbowl is generally tightly held by owner occupiers, with the current owners intending on retaining their sites for the long term.

IN2 Light Industrial, B5 Business Development and B6 Enterprise Corridor

Industrial-type land in Punchbowl is located south of Canterbury Road, primarily within the Belmore Road/Charlescotte Avenue precinct. Interest from traditional industries (auto mechanics, building, storage) remains strong given the relocation of many businesses from Alexandria and surrounds. Warehousing/logistics and exporting businesses have become increasingly active in recent times given the lack of industrial space in close proximity to Port Botany.

Similar to commercial space, the supply of industrial space within Punchbowl is tightly held. Local letting agents have noticed sales and leasing values have steadily increased over the past 12 months given the competitive nature of the South Sydney market.

Spaces ranging from 200sqm to 300sqm in area are most popular, with recent leasing deals indicative of rates between \$130/sqm and \$170/sqm are currently being achieved for such spaces. A recent sale at Charlescotte Avenue in March 2016 for \$2,210/sqm with a 5.2% yield highlights the current strength of industrial capital values within the area. A number of industrial larger spaces (2,000sqm plus) are also currently available for lease, although limited demand has been sighted, with much lower rates (\$60/sqm-\$90/sqm) being sought.

High clearance, free standing warehouses with good accessibility are the most commonly sought features by industrial users in the area. Sites that are container-friendly have become increasingly sought after given the prevalence of distribution and storage businesses seeking accommodation, although there is limited stock available which caters to such users within Punchbowl. Demand from manufacturing businesses has been observed to be declining in recent times, many of whom are relocating to more affordable areas west.

Longer leases are typically being sought by tenants due to the competitive nature of the current market and ongoing residential conversions occurring across South Sydney.

BANKSTOWN

Identified as a strategic centre in *A Plan for Growing Sydney 2014*, the volume and range of employment land uses within Bankstown is the most significant amongst the Sydenham-Bankstown corridor. A large radius of B4 zoned land surrounds the Bankstown train station while a large industrial precinct is situated along the southern suburb boundary.

The Bankstown commercial and industrial markets have performed well over 2015/16, with demand tending to outstrip supply. Demand for retail and commercial space has been steady over the past 12 months, although not as pronounced as that seen for industrial space. Many businesses are drawn to Bankstown for the relative affordability of space given the development and amenity of the area.

Retail Uses

The Bankstown retail and commercial market is large and highly developed, sprawling to the north and south of the Bankstown train station with a mix of both traditional high-street space as well as modern commercial office buildings.

Ground floor retailers are dispersed across multiple streets to the north and south of the train line, with a variety of food retailers, specialty stores, financial institutions and fashion retailers observed. In addition to high street retail, the regional shopping centre, Bankstown Central at Stacey Street/North Terrace, is located approximately 500 metres from Bankstown train station and includes approximately 300 retail stores being anchored by several large supermarkets, discount goods stores and fashion chains.

Older, traditional retail space is most common on the southern end of Chapel Road and is dominated by traditional users such as food and specialty retailers. Vietnamese restaurants and food retailers are common within this precinct given the large local Vietnamese population. Retail space is tightly held, with limited stock currently available. Retail stock available for sale or lease has been relatively limited over the past 12 months, with few recent leasing or sales occurring.

The quality of retail space varies given the mix of dated and modern buildings. Recent deals at 12A and 15 Restwell Street were leased at \$210/sqm-\$350/sqm, with relatively low rates achieved due to their age and relative poor condition. The sale of 15 Restwell Street earlier in January 2016 at \$3m highlights the strength of capital values within the area however, indicative of yield of 2.1%.

By contrast, newer stock in the recently opened Little Saigon Plaza at 462 Chapel Road on the northern side of the train line is currently attracting rentals of \$1,000/sqm. Uptake of retail space within the centre has been strong since marketing commenced in early 2016, with approximately 70% of retail space now leased with a variety of food retailers and clothing stores exhibiting strong interest.

Similar to leasing, retail space for sale is limited. A 350sqm restaurant at 52 Restwell Street is currently for sale for \$1.8m, representing a sale rate of \$5,143/sqm. Discussions with the sales agents indicate limited interest has been received since marketing commenced in August 2016 due to the limited utility of the space.

Commercial

Commercial space within Bankstown is predominantly located on the northern side of the rail line. Commercial floor space varies in quality, ranging from small, dated office suites above ground floor retail to more modern office suites in commercial buildings such as 66-72 Rickard Road or 462 Chapel Road. Commercial space in the southern precinct is generally of inferior quality, typically being shop-top office suites.

Demand for smaller office suites (50sqm-100sqm) is particularly strong given their relative affordability. Recent leasing deals and current office space available indicate current net rentals being achieved range from \$300/sqm to \$550/sqm while incentives have remained steady at approximately 5%. Local letting agents note a marked increase in commercial rents for quality office space over the past 24 months (up to 35% in some cases) however this is likely to have peaked given the affordability constraints of the market.

Larger office space tends to experience greater marketing periods given the nature of business operators within Bankstown being predominantly SMEs who do not require large floor plates. Areas above 500sqm are currently

available for lease at 41-45 Rickard Road with asking rates of \$400/sqm with the marketing agent indicating the response from the market has been relatively subdued albeit strong interest from non-government organisations in the health and education sectors.

Sale activity has been particularly strong over the past 12 months, mostly in small strata office suites. Buyers are both owner occupiers and investors as businesses seek to capitalise on low interest rates while investors are seeking yield growth given the rise in net rents. Sales rates of \$3,000/sqm-\$4,000/sqm are currently being observed.

21-57 Restwell Street is a premium office tower currently under construction due for completion in mid-2018 and will comprise approximately 10,500sqm of commercial floorspace in addition to 450sqm of ground floor retail floorspace. Pre-leasing is yet to commence, however informal discussions with the marketing agent indicate solid interest has been received thus far with enquires from government departments, educational operators and medical technology firms. Floors range from 1,000sqm-1,800sqm with the likely asking rents to be circa \$400/sqm net.

Industrial

Industrial leasing and sales activity has been pronounced over the past 12 months with strong demand witnessed as businesses compete to secure premises. Sale and leasing values have been steadily increasing as demand drives both rental and sales values upwards whilst vacancy levels have declined.

Interest from traditional industries (auto mechanics, building companies) remains steady, while warehousing/logistics and exporting businesses are now particularly active. Businesses are seeking proximity to both Port Botany and the Sydney CBD, and the tight industrial markets observed across most of South Sydney are beginning to drive some users further west to Bankstown.

A frenzy of leasing activity in early to mid-2016 indicates rents of \$120/sqm-\$180/sqm are currently being achieved for industrial spaces between 150sqm-300sqm, while larger sites (>1,000sqm) are markedly lower at \$50/sqm-\$100/sqm. Recent sales evidence points to sales rates currently being achieved range from \$2,000/sqm-\$2,500/sqm while yields have compressed to 5%-6%. Space is generally absorbed readily by the market with local industrial agents noting stock is generally sold or leased no longer than 2 months after released to market.

Land owner expectations on capital values have begun to change as seen with 1-5 Arkley Street. The 1,320sqm warehouse space has been on the market since January 2016 with an asking price of \$3.1m (\$2,348/sqm). Currently leased at \$70,000 per annum, this sale price would reflect a net yield of 2.3%. Informal discussions with the sales agent note strong interest has been received thus far, although the market places a lower value to the site at this stage.

High clearance, free standing warehouses that are container-friendly with good accessibility are highly sought by the market given the prevalence of distribution and storage businesses within the area. Demand from manufacturing businesses has been observed to be declining over recent years as importing increases in popularity.

Local industrial agents note that the emergence of many residential developments along Canterbury Road is proving problematic given the resulting increase in traffic congestion and impact this is having upon industrial users reliant on transport, e.g. exporters and warehousing.

APPENDIX B: PROJECTIONS APPROACH

The NSW Government provides employment projections at a travel zone (TZ) level through the Bureau of Transport Statistics (BTS, 2014a). However, these projections were released in September 2014, and as a result do not wholly reflect current market conditions and expectations for growth in the Corridor. In particular, these projections do not incorporate consideration of catalytic transport infrastructure projects such as Sydney Metro and Westconnex.

More recent population and dwelling projections were released in September 2016 by the NSW Government Department of Planning and Environment (DPE, 2016). The smallest geographic level these projections are available for is by local government area (LGA). These projections incorporate known and committed transport infrastructure projects that are anticipated to have a positive and considerable impact on infrastructure capacity and travel times to and from the study area, and thereby influence commuting and residential preferences.

To better reflect the potential impacts of Sydney Metro on employment, the following approach was adopted to develop employment projections for the Sydenham-Bankstown Corridor.

Base Employment Projections

Base employment projections reflecting BTS data were developed using the following approach:

- 1 Employment by 3-digit ANZSIC by TZ within Canterbury-Bankstown and Inner West LGAs and the rest of Sydney Metropolitan area (in aggregate) for 2006 and 2011 was collated from BTS (2013a and 2013b). 3-digit ANZSIC data was aggregated to:
 - a 1 digit ANZSIC (excl. manufacturing) and 2-digit ANZSIC (for manufacturing), equating to 33 industries in total. This aligns with industries represented in BTS employment projections (BTS, 2014b)
 - b 70 industries representing a mix of 1, 2 and 3-digit ANZSIC. 70 industries rather than 33 industries were used to better reflect differences in gross floor area requirements per employee between industries. A correspondence between 3-digit ANZSIC and the 70 and 33 industries used is provided in Table B.1 below.

Table B.1. Industry Correspondences

3-Digit ANZSIC	70 Industry	33 Industry
Agriculture	Agriculture	Agriculture, Forestry and Fishing
Aquaculture	Aquaculture	Agriculture, Forestry and Fishing
Forestry and Logging	Forestry and Logging	Agriculture, Forestry and Fishing
Fishing, Hunting and Trapping	Fishing, Hunting and Trapping	Agriculture, Forestry and Fishing
Agriculture, Forestry and Fishing Support Services	Agriculture, Forestry and Fishing Support Services	Agriculture, Forestry and Fishing
Coal Mining	Coal Mining	Mining
Oil and Gas Extraction	Oil and Gas Extraction	Mining
Metal Ore Mining	Metal Ore Mining	Mining
Non-Metallic Mineral Mining and Quarrying	Non-Metallic Mineral Mining and Quarrying	Mining
Exploration and Other Mining Support Services	Exploration and Other Mining Support Services	Mining
Food Product Manufacturing	Food Product Manufacturing	Food Product Manufacturing
Beverage and Tobacco Product Manufacturing	Beverage and Tobacco Product Manufacturing	Beverage and Tobacco Product Manufacturing
Textile, Leather, Clothing and Footwear Manufacturing	Textile, Leather, Clothing and Footwear Manufacturing	Textile, Leather, Clothing and Footwear Manufacturing
Wood Product Manufacturing	Wood Product Manufacturing	Wood Product Manufacturing
Pulp, Paper and Converted Paper Product Manufacturing	Pulp, Paper and Converted Paper Product Manufacturing	Pulp, Paper and Converted Paper Product Manufacturing
Printing (including the Reproduction of Recorded Media)	Printing (including the Reproduction of Recorded Media)	Printing (including the Reproduction of Recorded Media)

3-Digit ANZSIC	70 Industry	33 Industry
Petroleum and Coal Product Manufacturing	Petroleum and Coal Product Manufacturing	Petroleum and Coal Product Manufacturing
Basic Chemical and Chemical Product Manufacturing	Basic Chemical and Chemical Product Manufacturing	Basic Chemical and Chemical Product Manufacturing
Polymer Product and Rubber Product Manufacturing	Polymer Product and Rubber Product Manufacturing	Polymer Product and Rubber Product Manufacturing
Non-Metallic Mineral Product Manufacturing	Non-Metallic Mineral Product Manufacturing	Non-Metallic Mineral Product Manufacturing
Primary Metal and Metal Product Manufacturing	Primary Metal and Metal Product Manufacturing	Primary Metal and Metal Product Manufacturing
Fabricated Metal Product Manufacturing	Fabricated Metal Product Manufacturing	Fabricated Metal Product Manufacturing
Transport Equipment Manufacturing	Transport Equipment Manufacturing	Transport Equipment Manufacturing
Machinery and Equipment Manufacturing	Machinery and Equipment Manufacturing	Machinery and Equipment Manufacturing
Furniture and Other Manufacturing	Furniture and Other Manufacturing	Furniture and Other Manufacturing
Electricity Supply	Electricity Supply	Electricity, Gas, Water and Waste Services
Gas Supply	Gas Supply	Electricity, Gas, Water and Waste Services
Water Supply, Sewerage and Drainage Services	Water Supply, Sewerage and Drainage Services	Electricity, Gas, Water and Waste Services
Waste Collection, Treatment and Disposal Services	Waste Collection, Treatment and Disposal Services	Electricity, Gas, Water and Waste Services
Building Construction	Building Construction	Construction
Heavy and Civil Engineering Construction	Heavy and Civil Engineering Construction	Construction
Construction Services	Construction Services	Construction
Basic Material Wholesaling	Wholesale Trade	Wholesale Trade
Machinery and Equipment Wholesaling	Wholesale Trade	Wholesale Trade
Motor Vehicle and Motor Vehicle Parts Wholesaling	Wholesale Trade	Wholesale Trade
Grocery, Liquor and Tobacco Product Wholesaling	Wholesale Trade	Wholesale Trade
Other Goods Wholesaling	Wholesale Trade	Wholesale Trade
Commission-Based Wholesaling	Wholesale Trade	Wholesale Trade
Motor Vehicle and Motor Vehicle Parts Retailing	Retail Trade	Retail Trade
Fuel Retailing	Retail Trade	Retail Trade
Food Retailing	Retail Trade	Retail Trade
Other Store-Based Retailing	Retail Trade	Retail Trade
Non-Store Retailing and Retail Commission-Based Buying and/or Selling	Retail Trade	Retail Trade
Accommodation	Accommodation	Accommodation and Food Services
Food and Beverage Services	Food and Beverage Services	Accommodation and Food Services
Road Transport	Road Transport	Transport, Postal and Warehousing
Rail Transport	Rail Transport	Transport, Postal and Warehousing
Water Transport	Water, Pipeline and Other Transport	Transport, Postal and Warehousing

3-Digit ANZSIC	70 Industry	33 Industry
Air and Space Transport	Air and Space Transport	Transport, Postal and Warehousing
Other Transport	Water, Pipeline and Other Transport	Transport, Postal and Warehousing
Postal and Courier Pick-up and Delivery Services	Postal and Courier Pick-up and Delivery Services	Transport, Postal and Warehousing
Transport Support Services	Transport Support Services and Storage	Transport, Postal and Warehousing
Warehousing and Storage Services	Transport Support Services and Storage	Transport, Postal and Warehousing
Publishing (except Internet and Music Publishing)	Publishing (except Internet and Music Publishing)	Information Media and Telecommunications
Motion Picture and Sound Recording Activities	Motion Picture and Sound Recording Activities	Information Media and Telecommunications
Broadcasting (except Internet)	Broadcasting (except Internet)	Information Media and Telecommunications
Internet Publishing and Broadcasting	Internet Publishing and Broadcasting and Services Providers, Websearch Portals and Data Processing Services	Information Media and Telecommunications
Telecommunications Services	Telecommunications Services	Information Media and Telecommunications
Internet Service Providers, Web Search Portals and Data Processing Services	Internet Publishing and Broadcasting and Services Providers, Websearch Portals and Data Processing Services	Information Media and Telecommunications
Library and Other Information Services	Library and Other Information Services	Information Media and Telecommunications
Finance	Finance	Financial and Insurance Services
Insurance and Superannuation Funds	Insurance and Superannuation Funds	Financial and Insurance Services
Auxiliary Finance and Insurance Services	Auxiliary Finance and Insurance Services	Financial and Insurance Services
Rental and Hiring Services (except Real Estate)	Rental and Hiring Services (except Real Estate)	Rental, Hiring and Real Estate Services
Property Operators and Real Estate Services	Property Operators and Real Estate Services	Rental, Hiring and Real Estate Services
Professional, Scientific and Technical Services (except Computer System Design and Related Services)	Professional, Scientific and Technical Services (Except Computer System Design and Related Services)	Professional, Scientific and Technical Services
Computer System Design and Related Services	Computer System Design and Related Services	Professional, Scientific and Technical Services
Administrative Services	Administrative Services	Administrative and Support Services
Building Cleaning, Pest Control and Other Support Services	Building Cleaning, Pest Control and Other Support Services	Administrative and Support Services
Public Administration	Public Administration	Public Administration and Safety
Defence	Defence	Public Administration and Safety
Public Order, Safety and Regulatory Services	Public Order, Safety and Regulatory Services	Public Administration and Safety
Preschool and School Education	Preschool and School Education	Education and Training
Tertiary Education	Tertiary Education	Education and Training
Adult, Community and Other Education	Adult, Community and Other Education	Education and Training
Hospitals	Health Care Services	Health Care and Social Assistance

3-Digit ANZSIC	70 Industry	33 Industry
Medical and Other Health Care Services	Health Care Services	Health Care and Social Assistance
Residential Care Services	Residential Care and Social Assistance Services	Health Care and Social Assistance
Social Assistance Services	Residential Care and Social Assistance Services	Health Care and Social Assistance
Heritage Activities	Heritage, Creative and Performing Arts	Arts and Recreation Services
Creative and Performing Arts Activities	Heritage, Creative and Performing Arts	Arts and Recreation Services
Sports and Recreation Activities	Sports and Recreation Activities	Arts and Recreation Services
Gambling Activities	Gambling Activities	Arts and Recreation Services
Repair and Maintenance	Repair and Maintenance	Other Services
Personal and Other Services	Personal and Other Services	Other Services
Private Households Employing Staff and Undifferentiated Goods and Service-Producing Activities of Households for Own Use	Personal and Other Services	Other Services

- 2 BTS employment forecasts (BTS, 2014b) by 33 industries for each TZ in Canterbury-Bankstown and Inner West LGAs, Canterbury-Bankstown and Inner West LGAs in aggregate, and the rest of Sydney Metropolitan area were collated.
- 3 Projections for Canterbury-Bankstown and Inner West LGAs and the rest of Sydney Metropolitan area were rebased to ensure the 2011 starting equated to the 2011 starting point defined from Step 1. Rebasing projections was undertaken by applying the growth rates by 33 industry for each area to the 2011 estimates of employment by industry from Step 1.
- 4 Projections for each TZ were rebased by calculating the proportion each TZ contributes to employment projections from BTS data for Canterbury-Bankstown and Inner West LGAs, and applying this to the rebased Canterbury-Bankstown and Inner West LGAs employment projections from Step 3.
- 5 33 industry projections by TZ were split to 70 industries based on the proportion each 70 industry comprised of the 33 industry it corresponds to in Table A.1 in 2011.

Revised Employment Projections

Base employment projections were revised to reflect additional infrastructure developed or planned that was not incorporated into BTS forecasts. The approach to revise these projections used a combination of population projections and historic industry growth patterns, as well as baseline forecast growth from BTS forecasts, to disaggregate total employment growth projected for the Sydney Metropolitan area to TZs.

Key assumptions applied in this approach include:

- Major infrastructure development will not result in an overall increase in employment forecasts from BTS (2014b) for the Sydney Metropolitan area, but will result in some reallocation of where employment is located.
- Each industry is primarily influenced by a combination of two key factors driving change in where employment is located – population growth (as a proxy for demand for goods and services by households) and industry prevalence/ growth (as a proxy for desirability of a location for industry).
- Of the above, changes in population growth are expected to be the main influence on employment locating to the Sydenham to Bankstown Corridor. That is, infrastructure is not anticipated to substantially change the centres hierarchy for commercial and industrial employment, but changes in population will result in changes in household spend within the catchment.

The approach to developing revised employment projections was as follows:

- 1 Base employment projections by 33 industry for the Sydney Metropolitan area from BTS were used as a starting point, and distributed in the first instance between Canterbury-Bankstown and Inner West LGAs and rest of Sydney Metropolitan area.
- 2 The distribution of employment for each (33) industry was driven by a combination of the two factors outlined above (population growth and industry prevalence/ growth), reflected through population growth in the time period examined (population component) and the change in size of the industry from the previous time period (industry component). Coefficients were developed to disaggregate employment based on the mix between (or combination of) the two components. This mix differed between industries based on the proportional demand of industry versus households for goods and services of that industry. This proportion was estimated based on the 2012-13 national Input-Output transaction table (ABS, 2015).
- 3 In the first instance, population growth projections from BTS (2014a) and base employment projections were used to identify appropriate population and industry coefficients for generating forecasts that equate to BTS employment forecasts. The final combined coefficients were adjusted to ensure the coefficients provided a distribution that matched BTS employment forecasts.
- 4 To understand change in employment from BTS projections, population forecasts from DPE (2016) were used to adjust the population coefficient used. This resulted in a revised final combined population and industry coefficient, which was applied to total Sydney Metropolitan forecasts to generate revised employment projections by industry for Canterbury-Bankstown and Inner West LGAs.
- 5 Revised 33 industry projections for Canterbury-Bankstown and Inner West LGAs were allocated to TZ by:
 - a Taking the previous year's employment by industry (33 industry) by TZ as a starting point.
 - b Calculating the *change* in employment by industry (33 industry) for Canterbury-Bankstown and Inner West LGAs (from Step 4).
 - c Calculating the proportion each TZ contributes to Canterbury-Bankstown and Inner West LGAs change in employment in the base employment projection for the same time period and apply to revised Canterbury-Bankstown and Inner West LGAs additional employment (from Step 5a). Where this results in employment for an industry falling to below 0, this was reset to 0.
 - d Recalibrate estimates of employment by TZ by industry from Step 5c to equal total employment for Canterbury-Bankstown and Inner West LGAs by industry.
- 6 33 industry projections by TZ were split to 70 industries based on the proportion each 70 industry comprised of the 33 industry it corresponds to in Table A.1 in 2011.
- 7 TZs comprising the precincts within the Sydenham to Bankstown Corridor were then aggregated to provide total employment by 70 industry projections, for comparison to the base employment projections.

Gross Floor Area Projections

Estimates of Gross Floor Area (GFA) requirements were developed by applying ratios of GFA per employee by industry and land use type for the precincts within the Sydenham to Bankstown Corridor from the revised and base employment projections. Each industry was allocated to a primary land use type, while some industries also were allocated a secondary use type (where an industry was allocated a secondary use type, an estimated proportion of the industry by use type was developed). GFA per employee ratios applied by industry and use type are detailed in the table A.2, and are based on benchmarks developed by AEC.

Use types include:

- IND: Industrial land uses
- OFF: Office/ commercial land uses
- RET: Retail land uses
- INST: Institutional type land uses (e.g. hospitals, education facilities)

- ACC: Accommodation facilities.
- PRI: Primary/ resources land uses (e.g. agricultural and resources industries)
- UTE: Utilities uses
- OTH: All other uses not appropriately categorised elsewhere.

Table B.2. GFA per Employee Ratios by 70 Industry

70 Industry	Primary Use Type			Secondary Use Type		
	Type	% of Industry	GFA/Emp.	Type	% of Industry	GFA/Emp.
Agriculture	PRI	100%	600	-	0%	30
Aquaculture	PRI	100%	600	-	0%	30
Forestry and Logging	PRI	100%	600	-	0%	30
Fishing, Hunting and Trapping	PRI	100%	600	-	0%	30
Agriculture, Forestry and Fishing Support Services	PRI	100%	600	-	0%	30
Coal Mining	PRI	80%	270	OFF	20%	25
Oil and Gas Extraction	PRI	80%	270	OFF	20%	25
Metal Ore Mining	PRI	80%	270	OFF	20%	25
Non-Metallic Mineral Mining and Quarrying	PRI	80%	270	OFF	20%	25
Exploration and Other Mining Support Services	PRI	80%	270	OFF	20%	25
Food Product Manufacturing	IND	100%	110	-	0%	50
Beverage and Tobacco Product Manufacturing	IND	100%	110	-	0%	50
Textile, Leather, Clothing and Footwear Manufacturing	IND	100%	100	-	0%	100
Wood Product Manufacturing	IND	100%	80	-	0%	80
Pulp, Paper and Converted Paper Product Manufacturing	IND	100%	90	-	0%	90
Printing (including the Reproduction of Recorded Media)	IND	100%	90	-	0%	90
Petroleum and Coal Product Manufacturing	IND	100%	170	-	0%	170
Basic Chemical and Chemical Product Manufacturing	IND	100%	170	-	0%	170
Polymer Product and Rubber Product Manufacturing	IND	100%	220	-	0%	220
Non-Metallic Mineral Product Manufacturing	IND	100%	170	-	0%	170
Primary Metal and Metal Product Manufacturing	IND	100%	130	-	0%	130
Fabricated Metal Product Manufacturing	IND	100%	110	-	0%	110
Transport Equipment Manufacturing	IND	100%	100	-	0%	100
Machinery and Equipment Manufacturing	IND	100%	100	-	0%	100
Furniture and Other Manufacturing	IND	100%	120	-	0%	120
Electricity Supply	UTE	100%	120	-	0%	120
Gas Supply	UTE	100%	120	-	0%	120
Water Supply, Sewerage and Drainage Services	UTE	100%	120	-	0%	120

70 Industry	Primary Use Type			Secondary Use Type		
	Type	% of Industry	GFA/Emp.	Type	% of Industry	GFA/Emp.
Waste Collection, Treatment and Disposal Services	UTE	100%	120	-	0%	120
Building Construction	IND	75%	80	OFF	25%	25
Heavy and Civil Engineering Construction	IND	75%	80	OFF	25%	25
Construction Services	IND	100%	80	-	0%	80
Wholesale Trade	IND	100%	120	-	0%	120
Retail Trade	RET	100%	30	-	0%	30
Accommodation	ACC	100%	30	-	0%	30
Food and Beverage Services	RET	90%	30	RET	10%	80
Road Transport	UTE	75%	120	OTH	25%	0
Rail Transport	UTE	75%	120	OTH	25%	0
Water, Pipeline and Other Transport	UTE	75%	120	OTH	25%	0
Air and Space Transport	UTE	75%	120	OTH	25%	0
Postal and Courier Pick-up and Delivery Services	IND	100%	120	-	0%	120
Transport Support Services and Storage	IND	100%	120	-	0%	120
Publishing (except Internet and Music Publishing)	OFF	100%	100	-	0%	100
Motion Picture and Sound Recording Activities	OFF	100%	100	-	0%	100
Broadcasting (except Internet)	OFF	100%	100	-	0%	100
Internet Publishing and Broadcasting and Services Providers, Websearch Portals and Data Processing Services	OFF	100%	100	-	0%	100
Telecommunications Services	OFF	100%	100	-	0%	100
Library and Other Information Services	INST	100%	100	-	0%	100
Finance	OFF	100%	23	-	0%	23
Insurance and Superannuation Funds	OFF	100%	23	-	0%	23
Auxiliary Finance and Insurance Services	OFF	100%	23	-	0%	23
Rental and Hiring Services (except Real Estate)	RET	100%	80	-	0%	23
Property Operators and Real Estate Services	OFF	100%	23	-	0%	23
Professional, Scientific and Technical Services (Except Computer System Design and Related Services)	OFF	100%	23	-	0%	23
Computer System Design and Related Services	OFF	100%	23	-	0%	23
Administrative Services	OFF	100%	23	-	0%	23
Building Cleaning, Pest Control and Other Support Services	IND	75%	120	OFF	25%	23
Public Administration	OFF	100%	23	-	0%	23
Defence	INST	100%	100	-	0%	23
Public Order, Safety and Regulatory Services	INST	100%	30	-	0%	23
Preschool and School Education	INST	100%	70	-	0%	70

70 Industry	Primary Use Type			Secondary Use Type		
	Type	% of Industry	GFA/Emp.	Type	% of Industry	GFA/Emp.
Tertiary Education	INST	100%	70	-	0%	70
Adult, Community and Other Education	INST	100%	50	-	0%	50
Health Care Services	INST	100%	23	-	0%	23
Residential Care and Social Assistance Services	INST	100%	23	-	0%	23
Heritage, Creative and Performing Arts	INST	100%	60	-	0%	23
Sports and Recreation Activities	INST	100%	60	-	0%	23
Gambling Activities	OFF	70%	23	RET	30%	30
Repair and Maintenance	IND	70%	80	RET	30%	30
Personal and Other Services	RET	75%	30	INST	25%	50

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OUTCOME DRIVEN

